

ASSESSMENT OF FAIR HOUSING

3

INTRODUCTION

Assembly Bill (AB) 686 requires that all housing elements due on or after January 1, 2021, contain an Assessment of Fair Housing consistent with the core elements of the analysis required by the federal Affirmatively Furthering Fair Housing (AFFH) Final Rule of July 16, 2015. Under California law, AFFH means “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”

California Government Code Section 65583 (10)(A)(ii) requires local jurisdictions to analyze racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs, including displacement risk. Although this is the Housing Element for the City of Stockton, Government Code Section 65583 (c)(9), (c)(10), and Section 8899.50, (a), (b), and (c) require all local jurisdictions to address patterns locally and regionally to compare conditions at the local level to the rest of the region. To that end, the

City of Stockton has prepared a local assessment of fair housing.

This section is organized by fair housing topics. For each topic, the regional assessment is first, followed by the local assessment. Strategies to address the identified issues are included throughout the section. Through discussions with stakeholders and fair housing advocates, and this assessment of fair housing issues, the City of Stockton identified factors that contribute to fair housing issues. These contributing factors are in **Table HE-49**, with associated actions to meaningfully affirmatively further fair housing related to these factors. Additional programs to affirmatively further fair housing are included in the Policy Document part of this Housing Element.

This section also includes an analysis of the Housing Element's sites inventory as compared with fair housing factors. The location of housing in relation to resources and opportunities is integral to addressing disparities in housing needs and opportunity and to fostering inclusive communities where all residents have access to opportunity. This is particularly important for lower-income households. AB 686

Public Review Draft, April 2023

added a new requirement for housing elements to analyze the distribution of projected units by income category, access to high resource areas, and other fair housing indicators compared to citywide patterns to understand how the projected locations of units will affirmatively further fair housing.

Various sources of information contribute to the Housing Element. The San Joaquin Valley REAP's "Taking Stock: A Comprehensive Housing Report for the San Joaquin Valley in 2022" provides a data package that has been pre-approved by the State Department of Housing and Community Development (HCD) and serves as the primary data source for population and household characteristics. Dates for data included in the San Joaquin Valley REAP data package may vary depending on the selection of data that was made to provide the best data on the topic. These datasets rely on data reported by American Community Survey (ACS), California Department of Finance, California Economic Development Department, U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), and the Department of Agriculture Agricultural Census. Where more current information is available, it has been provided. Please note that numbers for the same type of data (e.g., households) may not exactly match in different tables and sections because of the different data sources and samples used. The main data source for the assessment of fair housing was the HCD's AFFH Data Viewer mapping tool. Several additional data sources were used to supplement the 2022 REAP data package:

- Housing market information, such as home sales, construction costs, and rents, updated via online surveys.
- Data on special-needs groups, the services available, and gaps in the service delivery system provided via service provider stakeholder interviews.
- Lending patterns for home purchase and home improvement loans through the Home Mortgage Disclosure Act (HMDA) database.

OUTREACH

PUBLIC WORKSHOPS

Workshop #1

The first community workshop for Stockton residents as part of the Housing Element update took place via Zoom on Wednesday, September 14, 2022, from 5:00 pm to 7:00 pm. The focus of the workshop was on potential sites to accommodate the City's Regional Housing Needs Assessment (RHNA) and also to educate residents about the update process and hear resident insights and ideas about how the City can improve housing opportunities in the future. Spanish translation was available during the workshop. The community workshop was recorded and posted on the City's Housing Element web page.

City staff and consultants facilitated the workshop and 20 participants attended. Throughout the workshop, community members were asked to provide feedback, ask questions or provide comments. All questions and comments were read aloud, and either City staff or the consultants responded or documented receipt of the comment. The following summary of questions and comments relate specifically to fair housing issues.

Challenges in the permitting process - many of the comments pertained to constraints being experienced related to processing and approval of applications, which are analyzed in Chapter 6 and programs identified in the Policy Document to address potential constraints and streamline the review and project approval process.

- **Furthering fair housing** - the City was asked how they intend to implement the AFFH and what specific actions will be taken. Based on stakeholder and fair housing advocate input and through this assessment of fair housing issues, the City identified factors that contribute to fair housing issues, and programs to address the provision of housing for all segments of the population, particularly special needs groups and those at risk of displacement, developed.

During this workshop, attendees were asked to participate in a series of polls and select their preferred responses. The following poll questions and top responses include:

Which housing groups do you think Stockton needs to focus on and provide housing for?

- Homeless or recent individuals
- Low-income households
- Persons with disabilities

What type of housing is needed in Stockton?

- Mixed-use and rental apartments

To decide which sites are priorities for housing development, what criteria are most important to you?

- Access to grocery stores, restaurants, and shopping
- Including affordable housing.
- The following set of discussion questions was presented to residents during this virtual meeting. What neighborhoods or street corridors in Stockton should be developed with new housing?
- Why isn't housing being built in Stockton?
- What is preventing the types of housing you'd like to see from being built?

The comments elicited by these questions have been considered and incorporated into the Housing Element, as applicable.

Workshop #2

The second community workshop took place in person at the Buskirk Community Center on Wednesday, October 29, 2022, from 5:00 pm to 7:00 pm. The purpose of this workshop was to educate residents about the Housing Element update and Housing Action Plan processes and to give attendees an opportunity to share their ideas and ask related questions. Spanish translation was available during the workshop, and translation for additional languages was available upon request.

The process was similar to Workshop #1, with 20 participants attending. Input from the participants was solicited throughout the workshop. A set of discussion questions were presented to residents during this virtual meeting, which are discussed in Chapter 1 of the Housing Element in the summary of the Outreach Program. Topics participant input was requested on included:

- The most critical housing issues in the community?
- The housing types most needed in the community?
- The City's most important consideration in determining new housing opportunities?

The following summary of questions and comments relate specifically to fair housing issues arising from the above discussion questions.

Housing stock and affordability – The influx of homebuyers from the Bay Area was identified as a concern. A Stockton Housing Action Plan Market Conditions report has been completed which addresses housing prices and recent in-migration trends. As well, the effect of gentrification of neighborhoods, rising home prices and cost burden is discussed in the Risk of Displacement section in this Assessment of Fair Housing.

Renter and Property Owner Relations - The availability of data on nonresident property owners and investors was brought up. The Assessment of Fair Housing provides tenure data, and identifies rental property owner and tenant relations, including evictions and discrimination as a fair housing issue, including **Program 28. Practices to Affirmatively Further Fair Housing** to address these issues, specific nonresident and investor data was not available. A participant from Disability Rights CA offered a fair housing training to the City (for decision makers or staff).

Sites – Concern was expressed regarding identification of lower income sites Downtown in with high CalEnviroScreen scores. Unit capacity is provided in this area of high need for affordable housing to foster housing mobility opportunities and reduce the risk of displacement of residents, as well as provide housing near transit and resources. The siting of units in environmentally challenged areas is analyzed. Staff noted that the City allows up to four units by right in all residential zones. This means density can increase in most areas of the city, not just downtown. The inclusion of residential sites in commercial developments to meet the RHNA was brought up. A detailed analysis of all potential sites in the city, including mixed-use potential, was conducted to determine appropriate sites for unit capacity to meet and exceed the RHNA, as presented in Chapter 4.

Homelessness – The unhoused is a fair housing concern, and it is often difficult to collect informative data that accurately reflects the magnitude of the population at risk, resulting in undercounting. The practice of homeless sweeps and the no-camping ordinance as a fair housing issue was mentioned in the workshop discussion. The data source for analysis of the homeless, described in Chapter 2 – Housing Need Assessment, was a Point-in-Time count conducted by the San Joaquin County Community Development Department and the

Central Valley Low Income Housing Corporation in late January 2022. Land use designations that support the development of homeless shelters and transitional housing facilities is discussed in Chapter 6 of the Housing Element. Program **23. Continue to Support Organizations Assisting Homeless Persons** is included to increase shelter and transitional facilities and provide short term financial assistance for households at risk of becoming homeless, and **Program 15. Development Code Revisions** to ensure availability of sites for homeless facilities. A listing of Homeless Shelters, and Transitional Housing Facilities is provided in Tables HE-38, HE-39 and HE-40 in Chapter 2, Housing Needs Assessment.

These comments have been considered and incorporated into the Housing Element, as applicable.

CONSULTATIONS

Housing Element Consultations

In November 2022, seven consultations were conducted with Stockton stakeholders to offer opportunities to provide one-on-one input. Representatives from the following organizations were interviewed:

- The Housing Authority of San Joaquin County
- San Joaquin Fair Housing
- Valley Mountain Regional Center, San Joaquin County (Main Office)
- Disability Rights California
- Faith in the Valley
- Community Partnership for Families / The Community Foundation of San Joaquin

The stakeholders were asked the following questions, depending on the type of organization interviewed, and common responses include:

Public Review Draft, April 2023

Opportunities and concerns: What are the 3 top opportunities you see for the future of housing in this jurisdiction? Increasing the variety of future developments, including mixed-use, infill development, ADUs;

- De-concentration of affordable housing;
- Improving local housing data;
- Expanding housing services/resources; Updating the zoning code to be more inclusive and accessible;
- Continuous compliance with State law.

What are your 3 top concerns for the future of housing in this jurisdiction?

- Lack of existing affordable housing, high proportion of households experiencing cost burden
- Homelessness and limited housing for formerly incarcerated individuals,
- Time frame for review and approval processes.

Housing preferences: What types of housing do your clients prefer? Is there adequate rental housing in the community? Are there opportunities for home ownership? Are there accessible rental units for seniors and persons with disabilities?

- Desire for safe, habitable, accessible, stable and affordable housing;
- Uninhabitable housing conditions and lack of landlord or property owners making improvements;
- Landlords evicting long-time tenants to increase rental prices to accommodate in-migration from higher income locations.

Housing barriers/needs: What are the biggest barriers to finding affordable, decent housing? What are the unmet housing needs in this jurisdiction?

- Limited housing supply and unmet need;
- Housing costs and affordability;
- Renter application requirements, fees and deposits;
- historical racism and segregation;

- The criminalization of the unhoused population;
- Lack of political will from elected officials.
- As mentioned before, according to report.

Housing conditions: How would you characterize the physical condition of housing in this jurisdiction? What opportunities do you see to improve housing in the future?

- Southside faces more dilapidation issues, and the conditions are believed to be worse compared to the rest of the State
- Many residents take what they can afford, including uninhabitable housing
- De-concentration of lower-income housing

COVID - How has COVID affected the housing situation?

- Pandemic unveiled serious housing issues as well as making them worse.
- Economic conditions increased number of people at risk of, or experiencing homelessness
- Inequitable distribution of resources and services;
- Unmet housing needs of formerly incarcerated individuals were at risk or became
- A rise in domestic violence cases, and due to Project HomeKey, agencies unable to place domestic violence survivors in a safe space.
- Bay Area in-migration increased resulting in rising rents.

The eviction moratorium provided safety for economically impacted renters, but impacted landlords through a lack of resources.

Stakeholders shared that the factors that limit equity and fair housing are rooted in systemic racism, capitalism, sexism, and ableism. And to address these equity and fair housing concerns, the City needs to incorporate programs that reflect the needs of those most vulnerable in the Stockton community., which include low-

Public Review Draft, April 2023

income households, the elderly, disabled persons, large and single person households, single female-headed households with children, persons in poverty, the homeless, farmworkers, populations of color, cost burdened renters and homeowners, among others. Recommendations include programs that support affordable housing developments, an eviction protection and right-to-counsel program, a dedicated housing trust fund for affordable housing, landlord educational tools and resources, genuine advocacy for the homeless, a universal income program, a reasonable accommodation process, and social housing opportunities for people to co-own areas/property. They also shared that the City should ensure all new developments have an inclusionary housing component, which can be done by adopting inclusionary housing programs. These recommendations have been taken into consideration and can be reviewed in the Policy Document.

Housing Action Plan/Displacement Study Stakeholder Consultations

In support of efforts to prepare a Housing Action Plan for the City of Stockton, consultant team member BAE Urban Economics participated in a total of ten interviews with area stakeholders in the Spring and Summer of 2022 regarding issues and opportunities for the production and preservation of housing. Additional interviews will be conducted in the spring of 2023 with market rate developers to inform preparation of pro forma financial models for target housing types in Stockton. Due to significant overlap in the subject matter targeted for this initial round of interviews, and the list of stakeholders to be interviewed, BAE partnered with Enterprise Community Partners which was similarly engaged in preparation of an anti-displacement strategy for the City of Stockton. Participants in the first round of interviews included representatives from the following:

- Stocktonians Taking Action to Neutralize Drugs (STAND)

- Visionary Home Builders
- The Housing Authority of San Joaquin County
- Central Valley Low Income Housing (CVLIHC)
- Reinvent South Stockton Coalition (RSSC)
- Housing Justice Coalition (Part of the RSSC)
- National Association for the Advancement of Colored People (NAACP)
- Enterprise Community Partners
- Grupe Huber Company
- Little Manila Rising

While the topics covered during each interview varied slightly based on the expertise and affiliation of the interview participant, all of the interviews covered the following topic areas:

- Housing Needs and Preferences – What types of housing are your clients or constituents looking for? What types of housing are they most struggling to locate and secure? What are the barriers they are facing? Where do they typically end up?
- Housing Instability and Insecurity – What types of housing insecurity are being observed? What trends, factors, or characteristics are contributing to housing insecurity among your clients or in your community? What solutions are being used?
- Gaps in Housing Availability – What types of housing are being undersupplied in the Stockton Market? What types are being over supplied? Why?
- Barriers to Housing Production – What are the main barriers to housing production in Stockton? How does this vary by housing type (e.g., single-family homes, missing middle housing, multifamily apartments, tiny homes, etc.)? Do the barriers to housing production vary in different parts of the community?
- Barriers to Housing Preservation – What are the main barriers to the preservation of existing housing? What should the City be doing to facilitate housing preservation?

Public Review Draft, April 2023

- Causes of Residential Displacement – What are the main observed drivers of residential displacement? How are your clients or constituents being impacted? How are different groups or populations impacted? How are different parts of the city being impacted and why?

Interview participants expressed a range of perspectives and experiences, but generally agreed on the underlying economic factors contributing to a lack of desired housing production in Stockton. All interview participants acknowledged an overabundance of detached single family housing in Stockton, which represents a majority of the newly built housing inventory. Interview participants acknowledged an under production, and lack of general availability, of higher density multifamily rental and missing middle housing, both rental and for-sale, that would meet the needs of their clients. Participants indicated that new construction is generally concentrated in the more affluent neighborhoods in north Stockton, and that there are large areas that are going unserved by new market-rate development, but which feature populations that would benefit from an expansion of the housing inventory, such as in south Stockton and the downtown area. These areas tend to be lower-income and residents often have less mobility, but which still offer robust neighborhood networks and cultural affiliations. The reasons cited for the lack of development in these areas include the high cost of construction and the relatively limited purchasing power of lower-income households in these areas.

Interviews indicated that a lack of newly constructed housing is putting tenants under pressure to accept housing that is, at least in some cases, in substandard condition and often more expensive than is typically considered appropriate. Participants indicated a relatively high prevalence of multiple households banding together to afford housing, resulting in

overcrowded conditions, as well as households paying well over the accepted 30 percent of their income towards housing. Due to a lack of alternative housing options, households are often reluctant to submit complaints about substandard conditions and are unable to secure housing at more affordable rates. This is particularly prevalent among renter households, though interview participants also noted problems among lower-income owner households who are having trouble maintaining their homes. This sometimes results in foreclosure or condemnation, but more often in the household selling the property, often at a suppressed value due to the condition of the property. Multiple interview participants noted that many of these houses are then being purchased by higher-income households. The impression is that they are coming from outside the area, and that they subsequently rehabilitate the property and benefit from immediate equity appreciation. Interview participants voiced concerns that this dynamic prevents lower-income homeowners from fully benefiting from potential equity appreciation. Participants recommended increased funding for code enforcement and an enhanced multifamily rental inspection program to identify habitability issues. Participants also recommended increasing funding for home rehabilitation assistance to help keep lower-income homeowners in their homes and to discourage displacement and gentrification.

Interviewees noted that housing instability and displacement in Stockton is really a function of high and increasing housing costs, both for new construction and existing units, and stagnation among local workforce wages and associated household incomes. The pandemic exacerbated these trends with many lower-wage and service sector workers either losing their jobs or taking significant unpaid leaves of absence due to business closures and work-from-home policies. Interview participants experienced a significant increase in the need for homelessness prevention and rapid

rehousing services during the first two years of the pandemic, which is now beginning to abate with the revocation of pandemic-era restrictions. Interviewees commented that the City needs to pursue an aggressive expansion of the housing stock (something other than detached single-family homes) to address the lack of inventory, as well as strong economic development programs that can improve the earning potential of existing Stockton residents. Without both an increase in housing availability and the ability of households to pay for housing, the issue will continue to get worse and the number of households facing housing instability will grow.

To facilitate the production of low-income housing, as well as transitional and permanent supportive housing, interview participants indicate that the City needs to adjust expectations regarding funding recapture, allowing more grants and forgivable loans. Interviewees also suggested the City needs to increase its willingness to allow funding to go towards supportive services and that the City needs to consider programs to reopen existing single room occupancy (SRO) properties and/or facilitate development of new SRO properties in appropriate locations. They suggested the City also needs strong policies and programs to preserve naturally occurring affordable housing, where possible. Examples of these policies and programs may include, but should not be limited to, rehabilitation funding for both rental and ownership properties, possibly coupled with workforce housing deed restrictions (i.e., limited to occupancy by households with at least one person employed within the community), rental assistance and grants for back rent, cash incentives to property owners willing to accept tenants using public assistance, etc.

Interview participants generally supported efforts to expand the housing stock with a preference for the addition of both market rate and below-market rate rental housing. There is

a desire to see such development both in higher income areas that can provide better access to opportunity for lower-income households, but also within lower opportunity areas where households are experiencing the greatest need. All interview participants also acknowledged that the City's aim should be to avoid adding additional low-income housing inventory in the downtown, as the city is already at risk of creating conditions associated with concentrated poverty, which run counter to the long-term objectives of the community towards creating a commercially and culturally vibrant downtown environment for all Stockton residents. The challenge seems to be that that is where the infrastructure capacity is concentrated and where it may be possible to secure land zoned for high density housing at a relatively low cost (i.e. City owned). Also, the area is unlikely to experience market rate housing development in the near future, so it can often be attractive to try to leverage low-income housing to try and spur investment.

INTEGRATION AND SEGREGATION

Since 2017, the Tax Credit Allocation Committee (TCAC) and HCD have developed annual maps of access to resources such as high-paying job opportunities; proficient schools; safe and clean neighborhoods; and other healthy economic, social, and environmental indicators to provide evidence-based research for policy recommendations. This effort has been dubbed "opportunity mapping" and is available to all jurisdictions to assess access to opportunities within their community.

The TCAC/HCD Opportunity Maps can help to identify areas in the community that provide strong access to opportunity for residents or, conversely, provide low access to opportunity. The information from the opportunity mapping can help to highlight the need for housing element policies and programs that would help to remediate conditions in low-resource areas

and areas of high segregation and poverty and encourage better access for lower-income households and communities of color to housing in high-resource areas. TCAC/HCD categorized census tracts into high-, moderate-, or low-resource areas based on a composite score of economic, educational, and environmental factors that can perpetuate poverty and segregation, such as school proficiency, median income, and median housing prices. The TCAC/HCD Opportunity Maps use a regional index score to determine categorization as high, moderate, and low resource. Census tract and neighborhood boundaries don't exactly align in the City so this analysis refers mainly to census tracts in order to address state requirements for this analysis.

Areas designated as "highest resource" are the highest-scoring census tracts in the region, falling within the 0 to 20th percentile. It is expected that residents in these census tracts have access to the best outcomes in terms of health, economic opportunities, and education attainment. Census tracts designated "high resource" score in the 21st to 40th percentile compared to the region. Residents of these census tracts have access to highly positive outcomes for health, economic, and education attainment. "Moderate resource" areas are in the 41st to 70th percentile, and those designated as "moderate resource (rapidly changing)" have experienced rapid increases in key indicators of opportunity, such as increasing median income, home values, and an increase in job opportunities. Residents in these census tracts have access to either somewhat positive outcomes in terms of health, economic attainment, and education; or positive outcomes in a certain area (e.g., score high for health, education) but not all areas (e.g., may score poorly for economic attainment). Low-resource areas score above the 70th percentile and indicate a lack of access to positive outcomes and poor access to opportunities.

The final designation is "high segregation and poverty." These are census tracts that have an overrepresentation of people of color compared to the county as a whole, and at least 30.0 percent of the population in these areas is below the federal poverty line (\$27,750 annually for a family of four in 2022). In Stockton, many of the areas designated as high segregation and poverty have also been identified as racially or ethnically concentrated areas of poverty (R/ECAP) by HUD. Determination of R/ECAPs relies on a racial and ethnic concentration threshold as well as a poverty test. The racial and ethnic concentration threshold for a R/ECAP is a non-White population of 50.0 percent or more. The poverty test defines areas of "extreme poverty" as those where 40.0 percent or more of the population lives at or below the federal poverty line, or where the poverty rate is three times the average poverty rate in the metropolitan area, whichever is less. More information about R/ECAPs in Stockton is provided later in this section.

As seen in **Figure HE-1, TCAC/HCD Opportunity Areas, 2022**, Stockton has several spatial concentrations of opportunity area designations. The figure shows the 15 neighborhoods in the city as used throughout this General Plan and referenced in this section. Generally, from north to south they are:

- Trinity/Northwest Stockton
- Eight Mile/Bear Creek
- Upper Hammer Lane/Thornton Road
- Morada/Holman
- Pacific Avenue/Lincoln Village
- Brookside/Country Club
- East Stockton
- Midtown
- The Port and Mount Diablo Waterfront
- Boggs Tract
- Downtown
- South Stockton
- Mariposa Lakes
- Weston/Van Buskirk

Public Review Draft, April 2023

- Industrial Annex

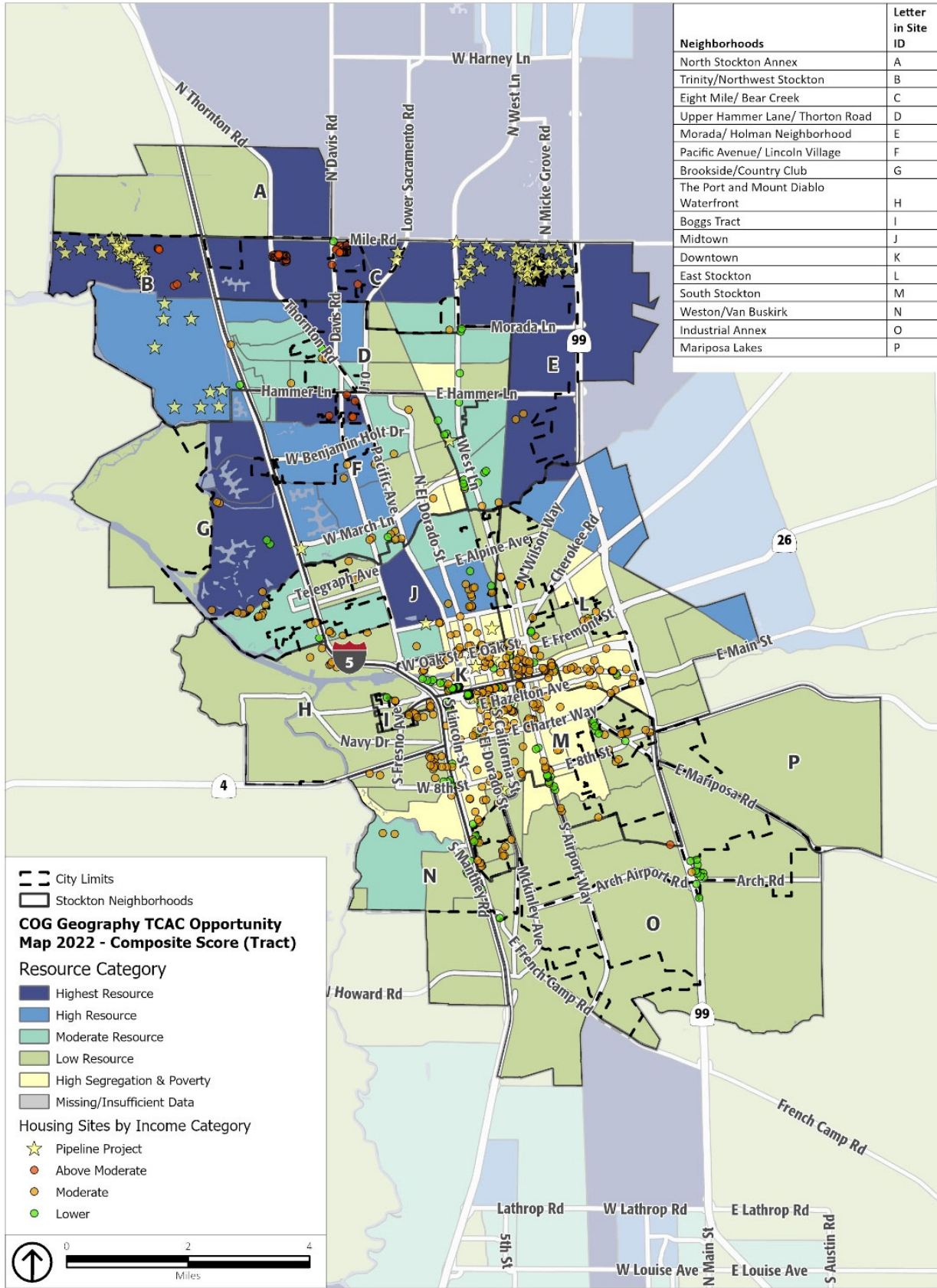
The northern, eastern, and western edges of the city north of the Calaveras River in the Morada/Holman, Eight Mile/Bear Creek, Upper Hammer Lane/Thornton Road, and Trinity/Northwest Stockton neighborhoods are designated Highest and High Resource. These designations extend east of I-5 in the Pacific Avenue/Lincoln Village neighborhood as far east as Pacific Avenue and as far south as West March Road. Two census tracts in the Midtown neighborhood, which include the University of the Pacific between the Calaveras River to the north, West Pershing Avenue to the west, Pacific Avenue to the east, and West Harding Way to the south; and the adjacent residential communities to the east of Pacific Avenue and west of both the Rural and San Joaquin Catholic Cemeteries, accessed off of North El Dorado Street and North California Street between East Alpine Avenue to the north and East Harding Way to the south, are designated as Highest and High opportunity areas, respectively.

Census tracts designated Moderate Resource opportunity areas are also predominantly identified in the northern portion of the city, generally north of East Harding Way; within the Upper Hammer Lane/Thornton Road and Morada/Holman neighborhoods; and residential enclaves adjacent to primarily unincorporated island areas in the lower Brookside/Country Club and eastern edge of the Midtown neighborhoods as well as one census tract in the Downtown neighborhood.

The majority of the city south of Smith Canal to the west of North Pershing Avenue and south of West and East Harding Way to the east of North Pershing Avenue in the Midtown, Downtown, South Stockton, Port and Mount Diablo Waterfront, Weston/Van Buskirk, and Industrial Annex neighborhoods are designated by TCAC/HCD as Low Resource and Areas of High Segregation and Poverty. In contrast, Low Resource census tracts in northern Stockton

tend to be more spread out and are often adjacent to Moderate and High Resource census tracts. The East Stockton neighborhood, eastern portions of the Pacific Avenue/Lincoln Village neighborhood east of Pacific Avenue, and census tracts adjacent to and north of East Hammer Lane between the two Union Pacific Railroad Sacramento Subdivision and Fresno Subdivision lines are designated Low Resource, with two small residential census tracts assigned High Segregation and Poverty designations.

Figure HE-1: TCAC/HCD Opportunity Areas



Source: HCD, 2022

INCOME

Income is a primary indicator of a household's standard of living and is a critical factor in determining the ability of that household to balance housing costs with other basic needs, such as food and transportation. These may also result in displacement due to a number of factors in addition to housing cost burden. According to the San Joaquin Council of Governments Displacement Study, 2021, displacement pressures threaten the ability of housing-challenged households to stay in their homes and limit where these households can live, reducing their ability to stay connected with supportive networks and limiting their access to opportunity. There are three basic types of displacement risk residents of Stockton might face, which are discussed in subsequent analysis:

- **Direct/Physical Displacement.** Households are directly forced to relocate from or leave their current residence due to landlord practices, formal eviction, foreclosure, natural disaster, or uninhabitable and unsafe conditions.
- **Indirect/Economic Displacement.** Households are indirectly pressured to relocate due to rising cost of housing (cost burden), increased taxes and auxiliary fees, changes in supporting cultural and social networks, and loss or reduction of income.
- **Exclusionary Neighborhood Change.** Households are unable to move into a neighborhood that is experiencing housing cost increases due to gentrification or other factors, including higher-income households renting or purchasing more affordable housing stock that would have previously been accessible to them; landlord resistance to accepting Housing Choice Vouchers (HCV); competition for affordable resources favoring those with higher incomes; inability to meet credit and application and/or qualifying requirements.

Displacement risk is discussed in greater detail in the "Displacement Risk" section later in this document.

According to the 2016-2020 ACS, the annual median income (AMI) in the City of Stockton was \$58,393 in 2020, an increase of more than \$10,000 since 2010. The 2020 median income was notably lower in Stockton than for the county as a whole and the state, which, in 2020, had median incomes of \$68,628 and \$78,672, respectively. However, it should be noted that median income data in 2020 may be reflective of the impact of COVID and associated unemployment and has been increasing in 2021 and 2022 as the economy recovers.

According to Table HE-7, Household Income Distribution, in the Housing Needs Assessment (HNA), in 2020 approximately 25.4 percent of households in Stockton were considered very low-income, which is any four-person household that earns less than \$29,197 annually (less than 50.0 percent of AMI); approximately 10.8 percent of households correlated with the lower-income category, which is any four-person household that earns between \$29,178 and \$46,714 annually (between 51.0 and 80.0 percent of AMI); approximately 22.4 percent of households correlated with the moderate income category, which is any household that earns between \$46,715 and \$70,072 annually (between 81.0 and 120.0 percent of AMI; and approximately 41.4 percent of households correlated with the above moderate-income household category, earning over \$70,074 annually (above 120.0 percent of AMI).

Above Moderate-Income Household Distribution

While the median income in Stockton ranges from \$12,256 to \$137,083 depending on the neighborhood, in general, higher incomes are found in the northern half of the city above Harding Way, with the exception of the lower portion of the Weston/Van Buskirk neighborhood south of French Camp Slough in

the southwest corner of the city. Areas where the median income is greater than \$87,100, as depicted on **Figure HE-2, Median Household Incomes in Stockton**, correlate with the above moderate-income range in the city. They are concentrated outside of the core of the city along its northern and western edges in the Trinity/Northwest Stockton, Eight Mile/Bear Creek, Morada/Holman, and Brookside/Country Club neighborhoods. There is also a concentration of census tracts in the Midtown neighborhood, inclusive of the University of the Pacific campus; the American Legion and Victory Parks; and the Elmwood, South Country Club, Northbank Court, and Oxford/Bristol residential areas with median incomes ranging between \$90,833 and \$94,706. There is one census tract in the Brookside/Country Club neighborhood with a median income of \$137,083, the highest in the city.

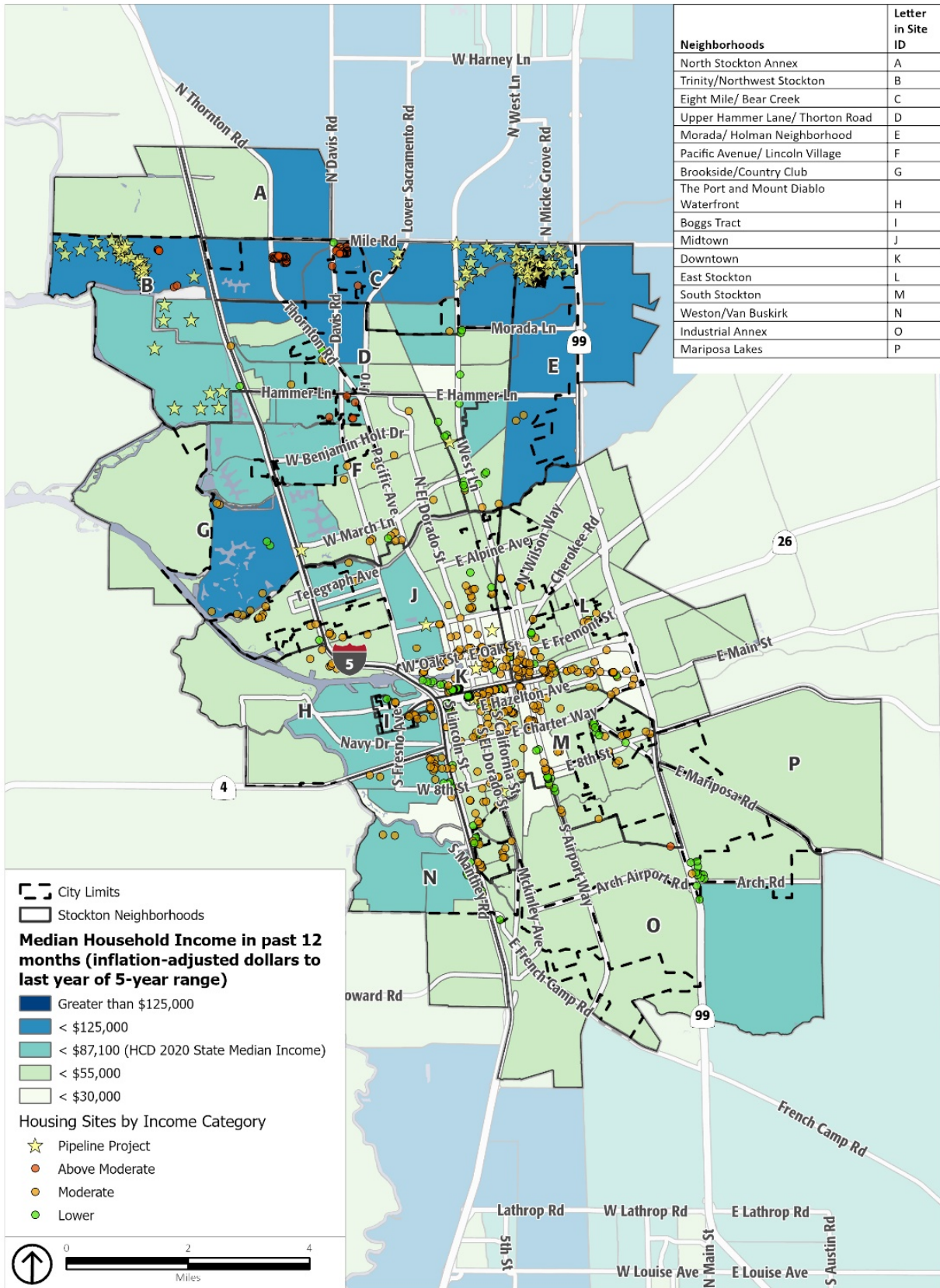
Mixed Median Income Neighborhoods

There are three neighborhoods—Upper Hammer Lane/Thornton Road, the lower portion of Morada/Holman, and Pacific Avenue/Lincoln Village in the northern portion of the city—that have historically developed along the northern extension of major commercial thoroughfares from the Downtown and Midtown neighborhoods. They include a range of incomes and TCAC/HCD opportunity designations based on location of the residential areas, the presence of affordable housing resources, type and age of housing stock, physical development barriers (waterways, sloughs, railroad tracks), and other factors. Some of the block groups in these two neighborhoods may be experiencing gentrification and have concentrations of populations that are at increased risk of displacement.

The western portion of the Upper Hammer Lane/Thornton Road neighborhood to the west of Lower Sacramento Road consists primarily of moderate- and above moderate-income

households—from \$55,938 adjacent to I-5 where the affordable Emerald Pointe Townhomes are located, to \$108,304 in the Stonewood Estates subdivision south of Laughlin Park and White Slough. There are two census block groups in this geographical neighborhood, with median incomes in the low-income category—a mixed residential, institutional, and commercial area adjacent to I-5 along Kelley Drive, and the lower portion of the Creekside residential area including Wagner Heights Apartments and Delta Sierra Middle School. The portion of this neighborhood between Lower Sacramento Road and the Union Pacific Railroad Fresno Subdivision line is a mix of low- and moderate-median incomes, with four affordable housing complexes along Hammer Lane. There are two block groups with very low-median incomes, one of which, including the Stockton Summerplace residential area and Parklane Elementary School, has been designated a TCAC/HCD Area of High Segregation and Poverty with a median income of \$26,462.

Figure HE-2: Median Household Incomes



Source: 2015-2019 ACS

The Pacific Avenue/Lincoln Village neighborhood east of I-5, south of Hammer Lane, west of the Union Pacific Railroad Sacramento Subdivision line, and north of the Calaveras River is also primarily a mix of low- and moderate-median income areas. There are four block groups with median incomes in the very low-income category that are scattered throughout the neighborhood, and three of them are in the vicinity surrounding the San Joaquin Delta College campus. There is no pattern of concentration of very low-income households; adjacent block groups fall within the moderate- and above moderate-income categories. However, there are eight affordable multifamily housing complexes in this neighborhood, all of which are in block groups with median incomes below \$30,897, and one of these block groups is designated a TCAC/HCD Area of High Segregation and Poverty and HUD R/ECAP. The presence of the affordable housing complexes generally are a contributing factor to the lower median incomes in the block groups where they are located.

A similar spatial distribution of affordable multifamily housing complexes within block groups with lower median incomes is found in the lower portion of the Morada/Holman neighborhood, with median incomes ranging from \$29,359 to \$52,465 in block groups that have an affordable housing resource. Historically, as discussed in the "Other Relevant Factors" section, a significant segment of the Asian community relocated to these newly developing localities during the 1960s in response to the construction of the SR-4 cross-city highway and remain a predominant community of color in the present. The very low-income block group, unlike most of the surrounding areas, which are primarily residential, consists of a mix of multifamily complexes (both affordable and market rate), vacant land, and nonresidential uses.

Lower-Income Neighborhoods

A defined concentration of very low- and low-median income households and affordable multifamily complexes is evident north of the Calaveras River in the central portion of the city along the West Lane, Pacific Avenue, El Dorado Avenue, Hammer Lane, and March Lane commercial corridors, and south parts of the city in the Midtown, Downtown, and South Stockton neighborhoods between Harding Way and Charter Way, with the lowest median incomes at \$12,256 and \$16,750 in the heart of Downtown. These lower-income block groups are generally defined by major transportation routes, including the Union Pacific Railroad lines, rail terminal, and switching station; I-5; SR 4; and the Port of Stockton, and include a mix of single-family and multifamily residential, industrial uses, entertainment venues, public and institutional buildings, educational facilities, and commercial services. The majority of this concentration of lower-income households has a correlating TCAC/HCD designation as an Area of High Segregation and Poverty and have been identified by HUD as R/ECAPs. The pattern of primarily lower median income households in the vicinity of major transportation corridors (rail, freeways, the Port)) is evident in East Stockton as well as south of the Downtown in the South Stockton, Weston/Van Buskirk, and Industrial Annex neighborhoods. The pattern also occurs in two enclaves of Housing Authority of County of San Joaquin public housing; 436 units at Conway Homes in the Van Buskirk community with an associated median household income of \$20,104; and 391 units at Sierra Vista Homes on Airport Way near the rail holding yards and Reverend Peterson and Williams Brotherhood Parks.

In Stockton, 16.8 percent of the population is considered under the poverty threshold, roughly equivalent to 14.0 percent of households that make less than 30.0 percent AMI, which is considered extremely low income. This is the highest rate among San Joaquin County jurisdictions. At the census-tract level,

the highest rates of poverty, above 30.0 percent, are found south of Harding Way in the Midtown neighborhood, in the Downtown neighborhood, and south of SR-4 in the South Stockton and the East Stockton neighborhoods. The census tracts with poverty rates that are above 30.0 percent of the population generally coincide with the city's lower-income block groups (**Figure HE-3, Local Poverty Rates**). Particularly high rates of poverty are in the Downtown (47.2 percent) bounded by East Park Street to the north, the Union Pacific Railroad Sacramento Subdivision line to the east, North Madison Street and El Dorado Street to the west, and the Mormon Slough to the south. This neighborhood includes the Amtrak Downtown ACE Station, 14 affordable multifamily complexes, single-family and multifamily housing units, Weber Point Events Center, DeCarli Waterfront Square, and a mix of industrial and commercial uses. Also, 43.5 percent of the population residing in the census tract in the Weston/Van Buskirk neighborhood (the Sierra Vista Annex-Conway Homes public housing development is in this tract) has an income below the poverty level. A poverty rate of 41.1 percent is seen in the residential areas east of the Union Pacific Railroad yards on either side of Airport Way in South Stockton, corresponding to the city's lowest-income residential areas, where housing typology and the presence of industrial uses likely account for increased housing affordability and higher rates of poverty. In addition, many areas south of SR-4 have historically been used as rail yard or port worker housing and were redlined areas, as discussed in the "Other Relevant Factors" section, with patterns of low incomes persisting in these areas. In general, elevated rates of poverty (above 20.0 percent) are found in the city's lower-income residential areas and often correlate with the locations of affordable multifamily housing units and mobile home parks.

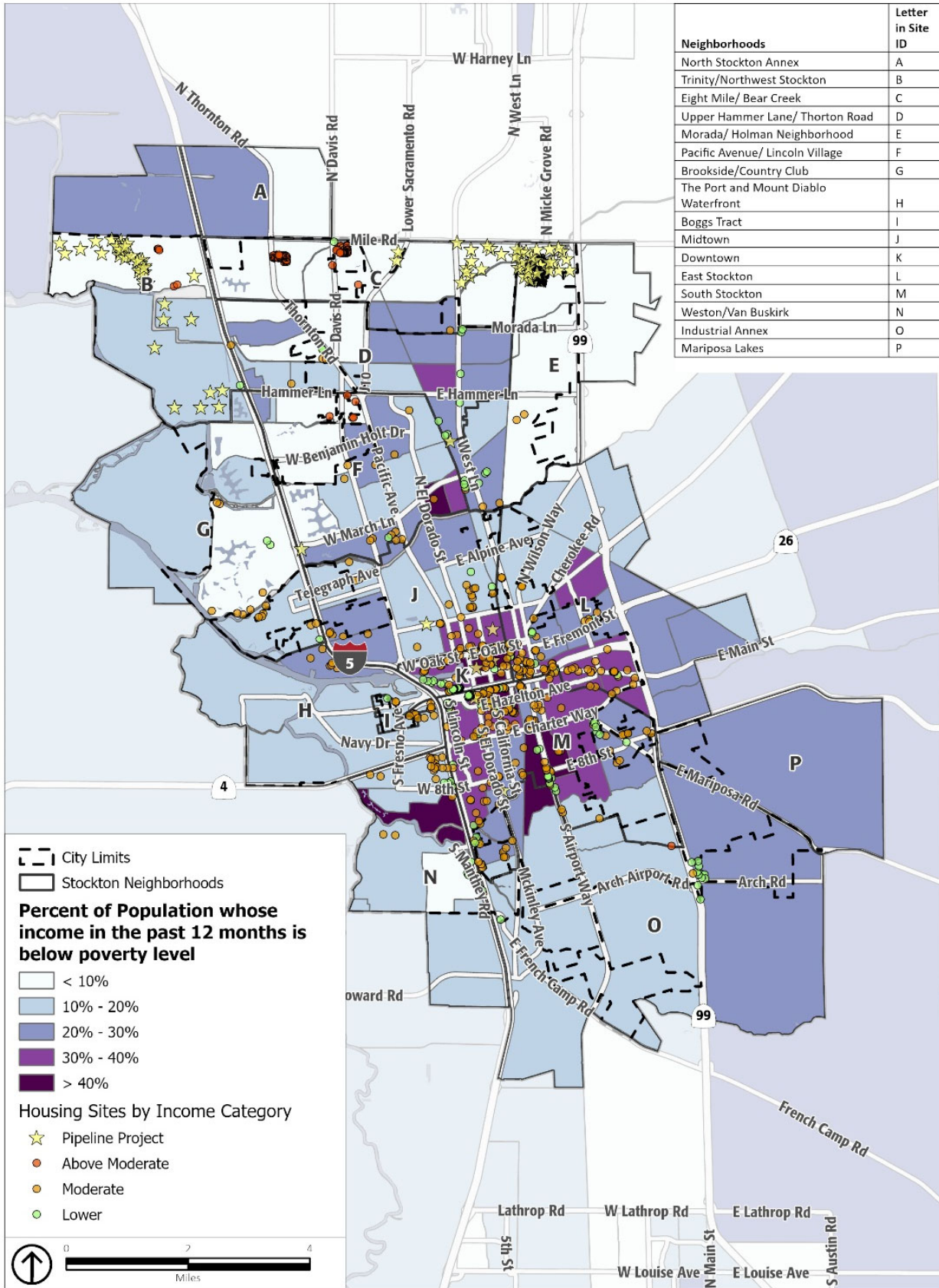
Between 2013 and 2020, incomes have shifted in the city. The proportion of very low-income households has decreased from 33.1 percent in 2013 to 25.4 percent in 2020, with a similar decrease in the proportion of households (15.4 percent in 2013 to 13.9 percent in 2020) with median incomes between \$30,000 and \$45,000, roughly corresponding to the low-income category. Conversely, above moderate-income households with incomes between \$75,000 and \$124,999 increased from 18.9 percent in 2013 to 21.4 percent in 2020. The proportion of households with incomes generally corresponding to the moderate-income category shifted only a few tenths of a percentage point. In 2013, every census tract with an affordable multifamily complex was categorized as having a median income below \$40,000, whereas in 2020, many of the block groups in the Pacific Avenue/Lincoln Village and upper Midtown neighborhoods that have affordable housing complexes also have median incomes above \$40,000. The northern, western, and eastern edges of the city have also seen increased median incomes.

This demonstrates that Stockton's residents have a wide range of incomes, with some distinctly higher-income areas in the northern half of the city; lower-income households predominate in the southern portion of the city where major transportation routes, industrial facilities, and nonresidential uses exist, in addition to historical practices of redlining. This pattern of income distribution is also evident in other jurisdictions in San Joaquin County along SR-99. However, though access to resources generally corresponds to income, as shown by TCAC/HCD Opportunity designations (**Figure HE-1**), there may be meaningful differences in access to other opportunity area factors, including the TCAC/HCD economic score, education domain score, and jobs/proximity index scores, which may contribute to higher-resource designations in lower-income areas. To improve access to areas of high opportunity for lower-income households, the City will work with

Public Review Draft, April 2023

developers to identify opportunities and reduce barriers to constructing higher density and affordable housing in higher income areas, particularly in the Trinity/Northwest Stockton, Brookdale/Country Club, Eight Mile/Bear Creek, and northeastern Morada/Holman neighborhoods; infill in the vicinity the Quail Lakes subdivision in Pacific Avenue/Lincoln Village neighborhood; and in the vicinity of University of the Pacific within the Midtown neighborhood, (Programs 5, 8, and 10) and will encourage construction of ADUs across the city to increase housing mobility opportunities (Program 6).

Figure HE-3: Local Poverty Rates



Source: 2015-2019 ACS

RACE AND ETHNICITY

The City of Stockton is one of San Joaquin County's more diverse jurisdictions; its share of minority residents is 80.6 percent, compared to 69.3 percent in San Joaquin County as a whole and 63.5 percent for the State (Table HE-5, Population Breakdown by Race/Ethnicity, in the HNA). The largest proportionate racial and ethnic concentrations in Stockton are Hispanic/Latino (43.5 percent), non-Hispanic Asian (20.5 percent), non-Hispanic White (19.4 percent), and non-Hispanic Black/African American (11.0 percent). Other demographic groups, including American Indian/Alaskan Native, Asian Hispanic, Multiracial Hispanic, Native Hawaiian, and Other are represented by smaller populations, each comprising 2.0 percent or less of the city's population. The racial and ethnic groups that experienced the most growth between 2013 and 2020 were Hispanic or Latino residents, non-Hispanic Asian residents, and non-Hispanic Black or African American residents, and the non-Hispanic White population declined from 22.3 percent in 2013. The data also indicate an increase in the number of residents who identify as multiracial or as part of other, unspecified racial and ethnic groups.

As illustrated in **Figure HE-4, Local Racial Demographics**, the northern portion of the city generally west of Lower Sacramento Road and North El Dorado Road and north of SR-4 has a greater concentration of block groups with non-White populations—between 41.0 and 60.0 percent—than the portion of the city south of downtown and SR-4. White non-Hispanic residents comprise majorities by block group in central Upper Hammer Lane/Thornton Road and Pacific Avenue/Lincoln Village neighborhoods between I-5 and Lower Sacramento Road, and in the Brookside/Country Club neighborhood west of I-5. Also, the block groups to the east and south of University of the Pacific in the Midtown neighborhood are primarily White non-Hispanic,

likely in part due to a concentration of students in the area. is also one block group in the predominantly non-White Morada/Holman neighborhood, including the Friendly Village Mobile Home Park and the Imperial Stockton Estates Mobile Home Park, with a White non-Hispanic population of 48.0 percent, followed by Hispanic at 24.5 percent and Asian at 15.8 percent. These neighborhoods generally coincide with high and moderate TCAC/HCD opportunity designations.

There are high concentrations of non-White residents, predominantly identifying as Hispanic or Latino, throughout most of South Stockton (south of SR-4), including in areas near the Stockton Metropolitan Airport and the border with French Camp, and in the East Stockton neighborhood. The data also indicate a smaller concentration of non-White residents along I-5 near West Hammer Lane, which includes a mix of Hispanic residents (around 36.0 percent), approximately 25.0 percent Asian residents, approximately 15.0 percent Black and African American, and a White non-Hispanic representation near 18.0 percent. There are also notable non-White concentrations along the city's eastern boundary toward SR-99. However, unlike the majority of areas in the city with proportions of non-White populations above 81.0 percent, in which Hispanic households are predominantly represented, the Morada/Holman neighborhood in the northeast section of the city is proportionately the most racially and ethnically diverse. The block group west of SR-99 and east of the Union Pacific Railroad Fresno Subdivision line has a predominance of Asian households (46.0 percent) followed by Hispanic or Latino households at 30.3 percent, non-Hispanic White at 10.8 percent, and Black and African-American at 7.5 percent, correlating with a high TCAC/HCD designation; the remainder of the block groups within this geographic neighborhood have mixes of Asian and Hispanic or Latino residents between 35.0 and 40.0 percent each, with non-Hispanic White and

Public Review Draft, April 2023

Black or African American groups ranging between 11.0 percent and 17.0 percent each. There is another concentration of very racially diverse residential areas in the Weston/Van Buskirk neighborhood, with a mix of Hispanic or Latino (39.1 percent), Asian (25.2 percent), Black and African American (21.2 percent), and White non-Hispanic (8.8 percent) residents. This data indicates that there are racially and ethnically integrated neighborhoods in the city that generally correlate to moderate and high resource designations.

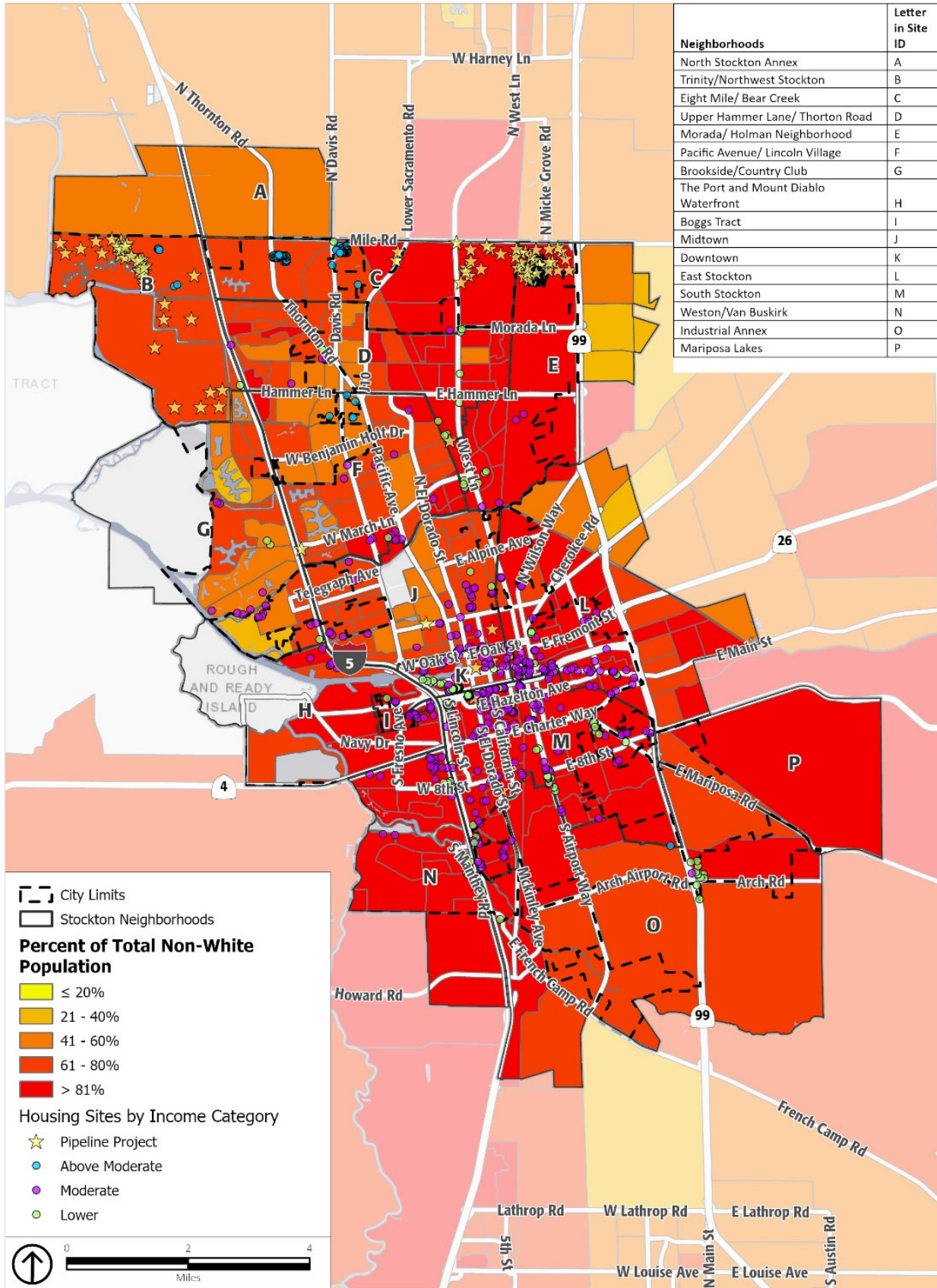
Generally, the city's most racially and ethnically diverse neighborhoods coincide with the city's lowest-income neighborhoods and neighborhoods designated as Areas of High Segregation and Poverty, as well as locations of affordable multifamily housing resources and the two Sierra Vista public housing communities. These neighborhoods are found in predominantly Hispanic communities in the southern section of the city (**Figure HE-4, Local Racial Demographics**), although the racial and ethnic composition of the two public housing communities is more diverse, with roughly half of the residents identifying as Hispanic or Latino, and one-quarter each identifying as Black and Asian.

Similar to many jurisdictions in the San Joaquin Valley, Stockton once experienced redlining, which influenced racial and ethnic patterns in the city, and these communities may have more limited access to resources and opportunities than households with similar incomes living in other parts of the county (see the section titled "Other Relevant Factors"). However, in recent decades, Stockton has experienced dramatic integration and persistent diversity. The 2010-2014 and 2016-2020 ACS data reflect nearly identical spatial distributions of racial and ethnically diverse groups; however, there have been substantial shifts in the Pacific Avenue/Lincoln Village, Midtown, East Stockton, and Morada/Holman neighborhoods from lower to higher

proportional representations of non-White demographic groups. In general, areas of the city that are the most diverse now were also the city's most diverse since the early 2000s, though these neighborhoods are more diverse today than they were previously.

This indicates that Stockton is home to a diverse population of residents with a wide range of household incomes, with generally higher incomes in areas of higher White non-Hispanic communities as well as neighborhoods with higher proportions of Asian-identifying residents on the east side of the city; distinctly lower incomes are found in communities with higher proportions of Hispanic-identifying residents living in the southern half of the city, with some neighborhoods experiencing high poverty and segregation and identification by HUD as a R/ECAP, discussed in the following section.

Figure HE-4: Local Racial Demographics



Source: Esri, 2018

To increase housing mobility opportunities for lower- and moderate-income households and non-White households, the City will implement Program 10 to continue to support construction of high-density housing in areas with better access to opportunities to facilitate economic mobility for lower-income residents and will promote construction of a range of housing types to meet a variety of needs.

R/ECAPS and RCAAs

Concentrations of minority populations or concentrations of affluence may indicate a fair housing issue despite relative integration compared to the region.

R/ECAPs

In 2013, HUD developed a method for identifying disproportionate impacts of poverty on racial and ethnic minority groups that relies on a racial and ethnic concentration threshold, as well as a poverty test. **Figure HE-5, Racially or Ethnically Concentrated Areas of Poverty (R/ECAP)**, identifies the R/ECAP areas in Stockton by census tracts based on the HUD criteria. Concentrations of R/ECAP tracts are located throughout Downtown Stockton and the areas immediately to the south of SR-4 in South Stockton, correlating with several of the tracts identified by the Home Owners Loan Corporation Redlining Grade (University of Richmond, 2021) as “Declining” and “Hazardous,” and a TCAC/HCD Opportunity Resource designation of High Segregation and Poverty. Many of the deed restricted housing complexes in the city are included within the boundaries of the R/ECAPS, with the highest concentration in the Downtown, which likely contributes to the concentration of households in poverty. The R/ECAP tract geographic distribution is very similar to that of lower income households, with proportions of renter households above 60.0 percent; between 15.0 to 29.5 percent of residents live in overcrowded conditions in all but one census tract (which is adjacent to rail switching yards and largely industrial uses); over 60.0 percent of renters pay

over 30.0 percent of their income for housing (one census tract in Homestead community has slightly lower renter overpayment at 56.1 percent); and over 40.0 percent of owners overpay for housing. Also, between 20.0 percent to 60.0 percent of households in these census tracts are single female-headed households.

There are also three scattered census tracts identified as R/ECAPS in the Upper Hammer Lane/Thornton Road and Pacific Avenue/Lincoln Village neighborhoods. While the census tracts northwest of the intersection of West Lane and East Hammer Road, and the census tract southeast of the intersection of East March Lane and North El Dorado Street are designated as TCAC/HCD Areas of High Segregation and Poverty, the census tract southeast of the intersection of Thornton Road/Pacific Avenue and West Hammer Lane has a moderate TCAC/HCD resource opportunity designation. Within this census tract, the median income in 2019 was \$42,939 and the percentage of persons in poverty is 21.1 percent, with 37.2 percent of children in the tract in households below the poverty level. As well, 77.2 percent of the population is non-White, which meets the requirement for a R/ECAP having a non-White population over 50.0 percent of the total tract. Based on these characteristics, this tract has a concentration of non-White households but the population rate is below that required of a R/ECAP. As stated previously, HUD identified R/ECAP areas in 2013. Therefore, more current data suggest that this area may have experienced a decrease in poverty rate. However, household characteristics still indicate a concentration of lower-income, cost-burdened households. Approximately 75.9 percent of households are renters, 57.3 percent of renter households overpay for housing, and 33.4 percent of homeowners overpay for housing; it is located in a moderate risk of flooding zone; there are two affordable housing complexes; and while the senior population is fairly low in this tract, at

12.8 percent of the total tract population, 57.6 percent of seniors experience a disability, which is equivalent to 44.8 percent of the persons with disabilities in this tract.

The City will provide opportunities for provision of mixed-income housing integration through Programs 6 and 10.

RCAAS

Where the R/ECAP areas reflect concentrations of poverty, HCD has developed an alternative metric focused on areas of Racially Concentrated Area of Affluence (RCAAs). An RCAA is defined as a tract in which the percentage of a population tract that identifies as White is 1.25 times higher than the percentage that identifies as White in the entire COG region (also called the Location Quotient), and where the median income is at least 1.5 times greater than the COG AMI. There are two RCAA areas in Stockton—one in the Upper Hammer Lane/Thornton Road neighborhood with a TCAC/HCD High Resource Opportunity area designation, and the Brookside Country Club neighborhood with a Highest TCAC/HCD Resource Opportunity area designation. The limited distribution of RCAAs reflects the relatively high representation of communities of color in most of Stockton as well as the limited affluence level (**Figure HE-6, Racially Concentrated Areas of Affluence**).

In contrast to R/ECAPs, RCAAs usually have persisted due to decades of focused investment, appreciated value of real estate, and wealth generation resulting from discriminatory practices and covert (and in some cases overt) racially restrictive covenants, indicating possible barriers to entry for non-White and lower-income households in these neighborhoods. The UC Merced Urban Policy Lab found that White residents of Stockton are the most isolated compared with other ethnicities. Stockton's isolation index of 0.248 for White residents means that the average White resident lives in a neighborhood in which 24.8

percent of the population is White. Therefore, the higher percentage of non-Hispanic White population in the RCAAs indicates that there are other factors that have influenced this level of segregation.

As discussed in greater detail in the "Other Relevant Factors" section, the Brookside Country Club RCAA tract coincides with the development of the Brookside Master Planned community in the late 1980s, designed as an elite golf course community emphasizing security, better educational facilities, and an exceptional quality of life. Though racial discriminatory exclusion was not direct, the community was socioeconomically differentiated by income and the ability to pay the high market rate home prices and association fees. In 2020, the RCAA has an overall median income of \$105,766, and a Location Quotient of White population of 1.47 (47.1 percent White), although the actual percentage of White population varies within the four block groups encompassed by the RCAA.

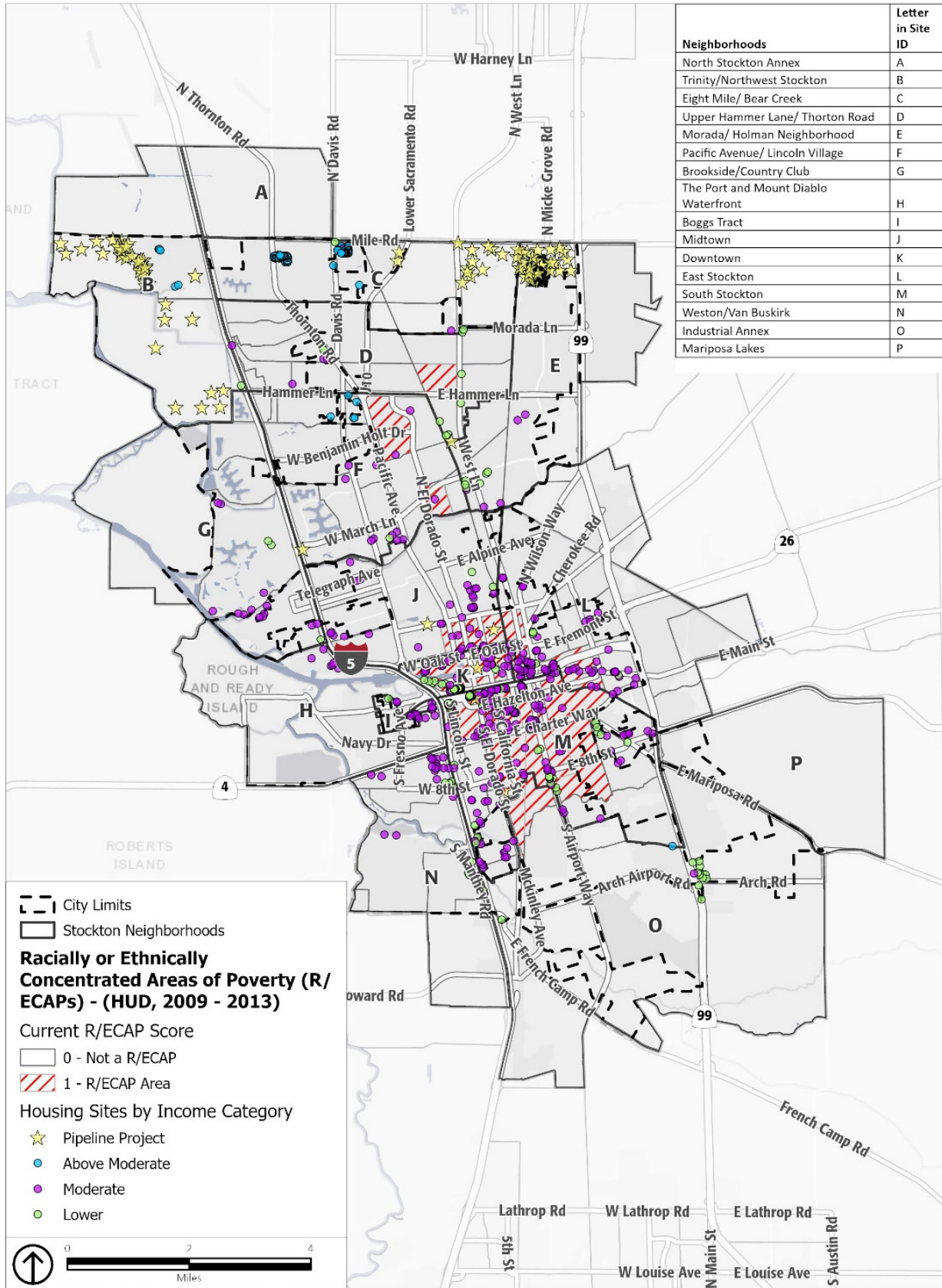
Although the median income within the four block groups remains among the highest in the city, the racial and ethnic composition of the Brookside RCAA has been shifting, and should this trend continue over the next decade, the Brookside Country Club neighborhood may no longer qualify as an RCAA. In 2010 (2010 census), the proportion of White population ranged from 48.2 to 71.8 percent, with two block groups at 63.0 percent; followed by Asian residents comprising between 18.4 to 30.9 percent; and Hispanic residents did not exceed 12.6 percent in any block group. In comparison, in 2020 (2016-2020 ACS), the White population had diminished to between 32.4 and 57.1 percent; the Asian population had risen to between 20.1 and 32.4 percent for an average of 21.6 percent tract-wide; and the Hispanic population had increased to between 13.4 and 25.3 percent for an average of 22.1 percent within the tract. While this shift in the racial and

ethnic composition of the RCAA suggests that White residents may be relocating elsewhere in the city, it also indicates increasing integration and housing mobility opportunities for (higher income) non-White populations.

The second RCAA is not as clearly distinguished from other census tracts with higher income residents, although it meets the parameters of the RCAA definition; the Location Quotient is 1.26 (40.4 percent White), with a median income of \$96,118 and a High resource designation. The non-White population is more heavily Hispanic, at 30.5 percent of the tract population, with a fairly equal mix of Asian and Black residents—approximately 11.0 percent. The RCAA encompasses the Stonewood Estates community, also developed in the mid-1980s, with home values averaging \$500,000. Similar to the Brookside RCAA, the racial and ethnic composition has shifted from 54.0 percent White in 2010 to 40.4 percent White in 2020, and though the income remains high, in relative terms the overall median income in the tract is lower than in 2010. Based on these characteristics, it is likely that this tract will no longer meet the RCAA parameters at some point in the near future. However, the shift in socioeconomic characteristics indicates that this RCAA has provided housing mobility opportunities for moderate-income households and non-White households in a TCAC/HCD High resource designated area.

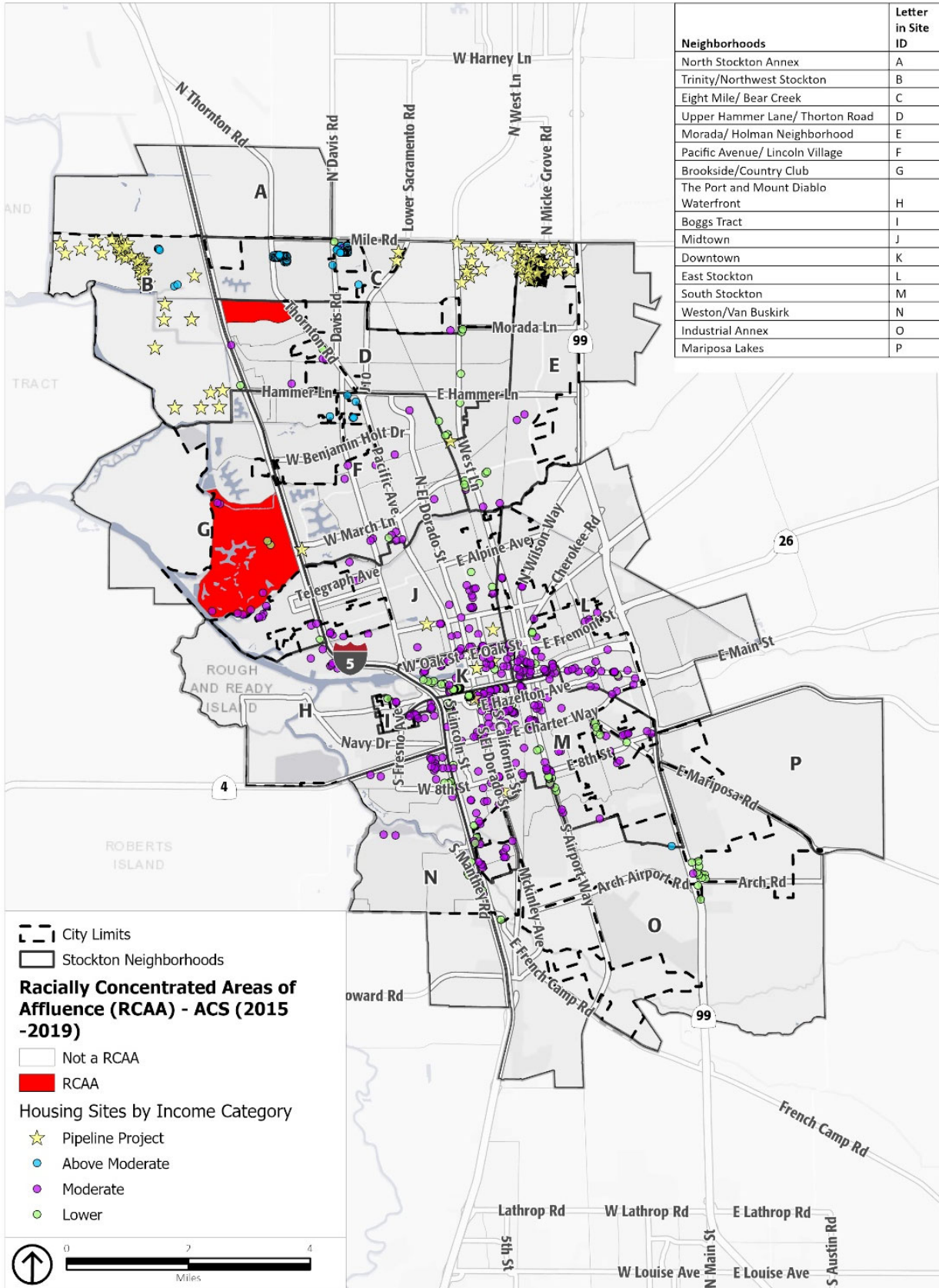
The City will commit to Programs 6, 10, 12, 13, 15, 24, and 25 to integrate affordable housing into these neighborhoods to increase housing mobility opportunities and increased access to resources for lower income households.

Figure HE-5: Racially or Ethnically Concentrated Areas of Poverty



Source: HUD, 2013

Figure HE-6: Racially Concentrated Areas of Affluence



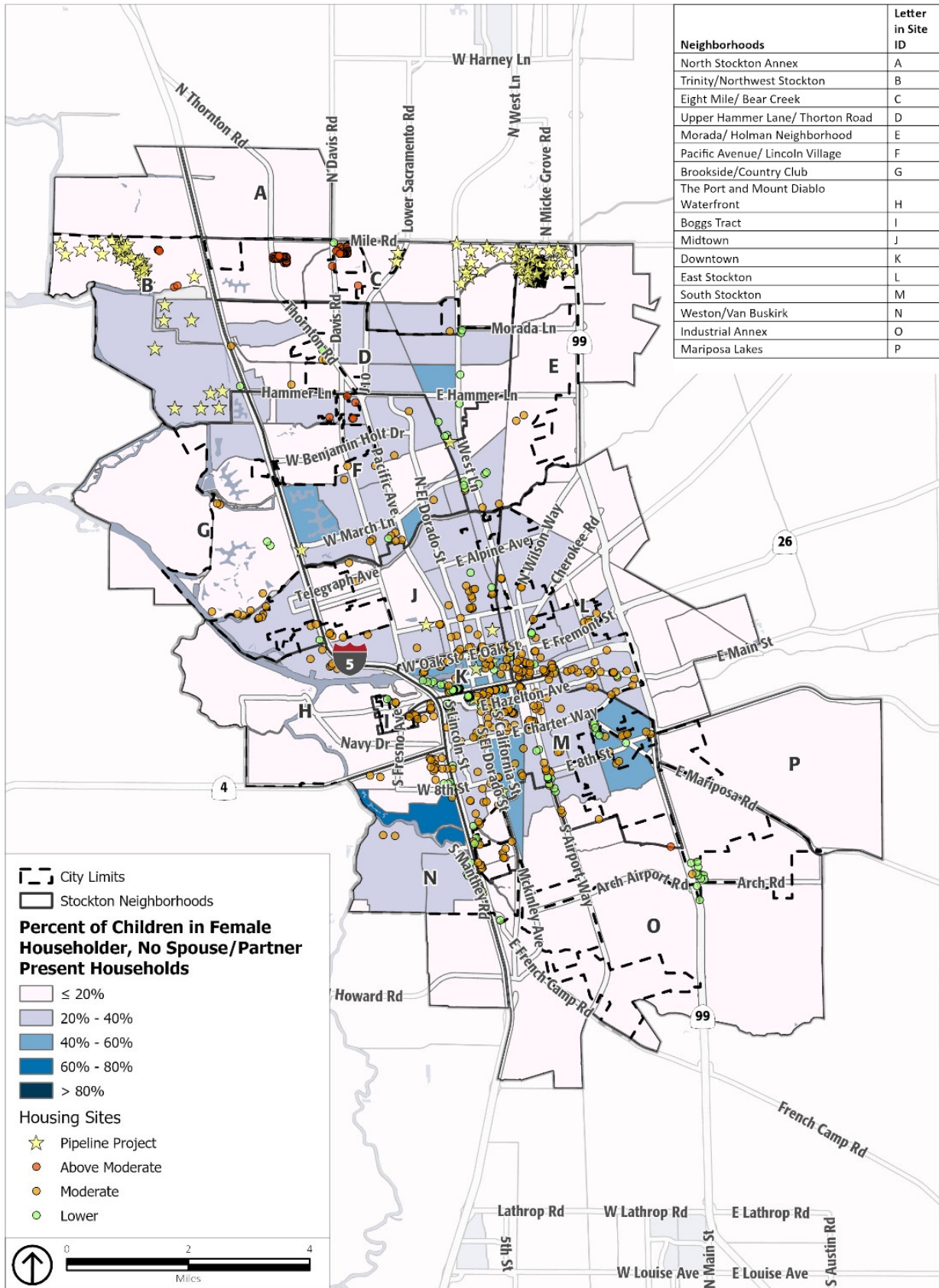
Source: 2015-2019 ACS, HCD 2022

FAMILIAL STATUS

Approximately 72.5 percent of Stockton households are family households, defined by California law as a household of two or more persons, regardless of relationship status. As indicated by Table HE-36, Female-Headed Households, in the HNA, 30.3 percent of family households are headed by single females with no spouse, which is greater than in San Joaquin County at 25.1 percent, and the state at 26.2 percent. Similarly, Stockton has a greater proportion of single female-headed households with children under the age of 18 (8.1 percent of all households and 26.8 percent of total female-headed households) compared to countywide (5.8 percent of total households and 23.1 percent of female-headed households) and statewide (4.7 percent of total households and 17.9 percent of female-headed households). Of the total number of female-headed households in the city, 28.9 percent have incomes below the poverty level. Overall, female-headed households with children comprise 55.5 percent of total households in poverty in Stockton, which indicates that these households are at particular risk of displacement and challenges securing affordable housing. The spatial distribution in the northern portion of the city of single-parent, female-headed households with children of between 20.0 to 40.0 percent of the total number of single female-headed households in the tract is generally consistent with TCAC/HCD Low and Moderate opportunity designations in the Morada/Holman and Upper Hammer Lane/Thornton Road neighborhoods, and the portion of the Pacific Avenue/Lincoln Village neighborhood east of Thornton Road as well as south of March Road. The entire East Stockton neighborhood shows rates of single-parent, female-headed households with children between 20.0 to 40.0 percent of the total number of single female-headed households. Data indicate that there is a common correlation between higher rates of single-parent, female-headed households with children in the census tracts with lower-incomes, a predominance of non-White households, and availability of affordable housing resources.

The spatial distribution of single-parent, female-headed households with children of between 40.0 to 60.0 percent of the total number of single female-headed households in the tract is generally consistent with TCAC/HCD Opportunity Areas of High Segregation and Poverty designations and lower-median household incomes. The majority of the southern portion of the city, including the Downtown, portions of the East Stockton neighborhood, and South Stockton neighborhoods, have rates of single-parent, female-headed households with children between 20.0 to 60.0 percent of the total number of single female-headed households in the tract. Higher rates of this household type in lower-resource, lower-income areas suggest that children in these households may have more limited access to resources and opportunities compared with children living in other parts of the city or in other family configurations. However, the higher presence of single female-headed households with children in low resource areas is not a consistent correlation in all census tracts. There are two census tracts designated TCAC/HCD High resource opportunity in the Pacific Avenue/Lincoln Village neighborhood, where between 40.0 to 60.0 percent of households are single female-headed households with children. In the census tract bounded by I-5 to the west, Grouse Run Drive to the east, and March Lane to the south, median incomes range from \$60,341 to \$98,491 (**Figure HE-7, Children in Female-Headed Households**), with non-White populations between 41.6 to 69.3 percent. However, although the census tract south of Weberstown Mall is designated High resource opportunity, it has a median household income of \$39,240, and 79.2 percent of the population is non-White, which aligns more closely to the pattern of higher rates of this household type in lower-income, more racially and ethnically diverse areas, suggesting that the more positive TCAC/HCD designation is a result of proximity to access to resources, amenities, and educational facilities.

Figure HE-7: Children in Female-Headed Households



Source: 2015-2019 ACS

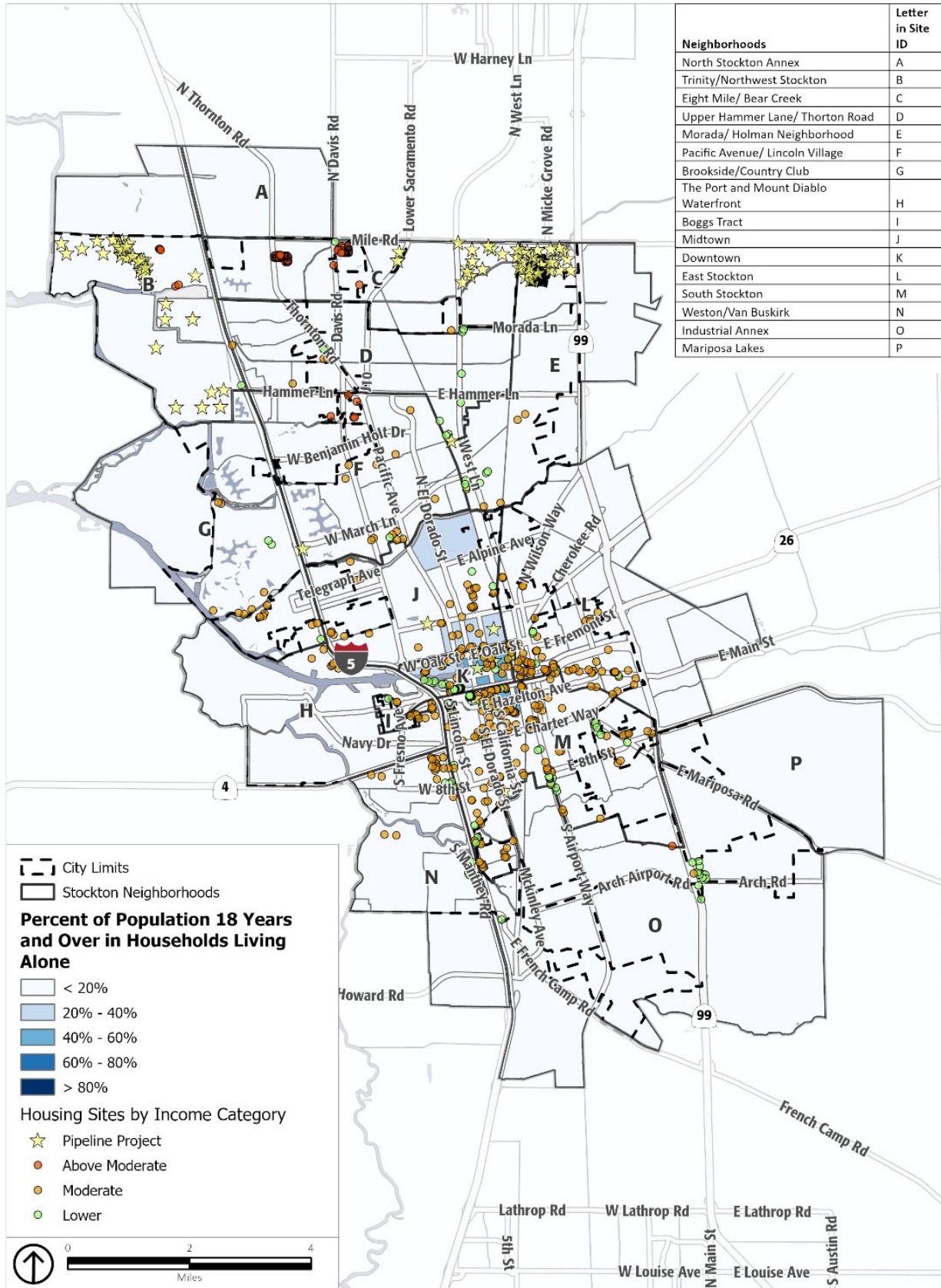
The census tract with the highest rate, between 61.0 and 80.0 percent of single female-headed households with children, is found in the Weston/Van Buskirk neighborhood in the southwest portion of the city. The census tract is designated an Area of High Segregation and Poverty, which also corresponds to the location of the Sierra Vista–Conway Homes Annex affordable public housing community. This indicates a concentration of single-parent, female-headed households in a low-resource, low-income, and predominantly non-White neighborhood.

Data from the 2016-2020 ACS indicate that approximately 22.2 percent of households consist of residents living alone. A slightly higher proportion (54.6 percent) of single-person households are renters compared to homeowners (45.4 percent). The spatial distribution of single-person households is fairly evenly distributed throughout the city at a rate below 20.0 percent of households (**Figure HE-8, Adults Living Alone**). However, there is a concentration of single-person households ranging from 28.7 percent to 42.6 percent of the total households in three census tracts in and near the Greater Downtown area. Almost one-quarter (24.4 percent) of the population in these tracts are Generation Z (age 7 to 25), with Millennials (age 25 to 42) comprising 28.9 percent of the population, followed by Baby Boomers (age 59 to 77) at 19.3 percent, and Generation X (age 43 to 58) at 18.5 percent. Individuals over 77 represented only 7.0 percent of the population. All three census tracts are TCAC/HCD designated as an Area of High Segregation and Poverty and are identified as a R/ECAP by HUD. As well, there are 17 affordable housing resources in this area, several of which are operated by the Housing Authority of County of San Joaquin as permanent supportive housing for the formerly homeless. There is also one area with a concentration of single-person households above 20.0 percent in the census tract adjacent to University of the Pacific campus in

the Midtown neighborhood with a TCAC/HCD Moderate resource opportunity designation. Within this tract, the largest age cohort is again Millennials at 25.8 percent, with Baby Boomers comprising 22.4 percent of the population, Generation Z at 20.9 percent and Generation X at 14.9 percent. In contrast to the Downtown however, the oldest age cohort represents 13.5 percent of the population. While the higher proportion of persons who live alone in this tract could be partially attributed to its adjacency to the college campus, the higher proportions of persons in the older age cohorts suggests that a portion of residents may be aging in place, particularly associate with convenient access to a range of medical facilities. Although incomes range between \$17,478 to \$57,03, and 20.0 percent of the population has an income below the poverty line, the two affordable housing complexes and student living arrangements may contribute to the dynamic of lower economic conditions and single-person households, and therefore the population in this tract is not considered at risk of displacement.

The City will implement Programs 6 and 28 to improve access to affordable housing for single-parent female headed households and single person households in areas of higher opportunity by encouraging construction of affordable units in a range of sizes, and improve opportunities in low-opportunity areas.

Figure HE-8: Adults Living Alone



Source: 2015-2019 ACS

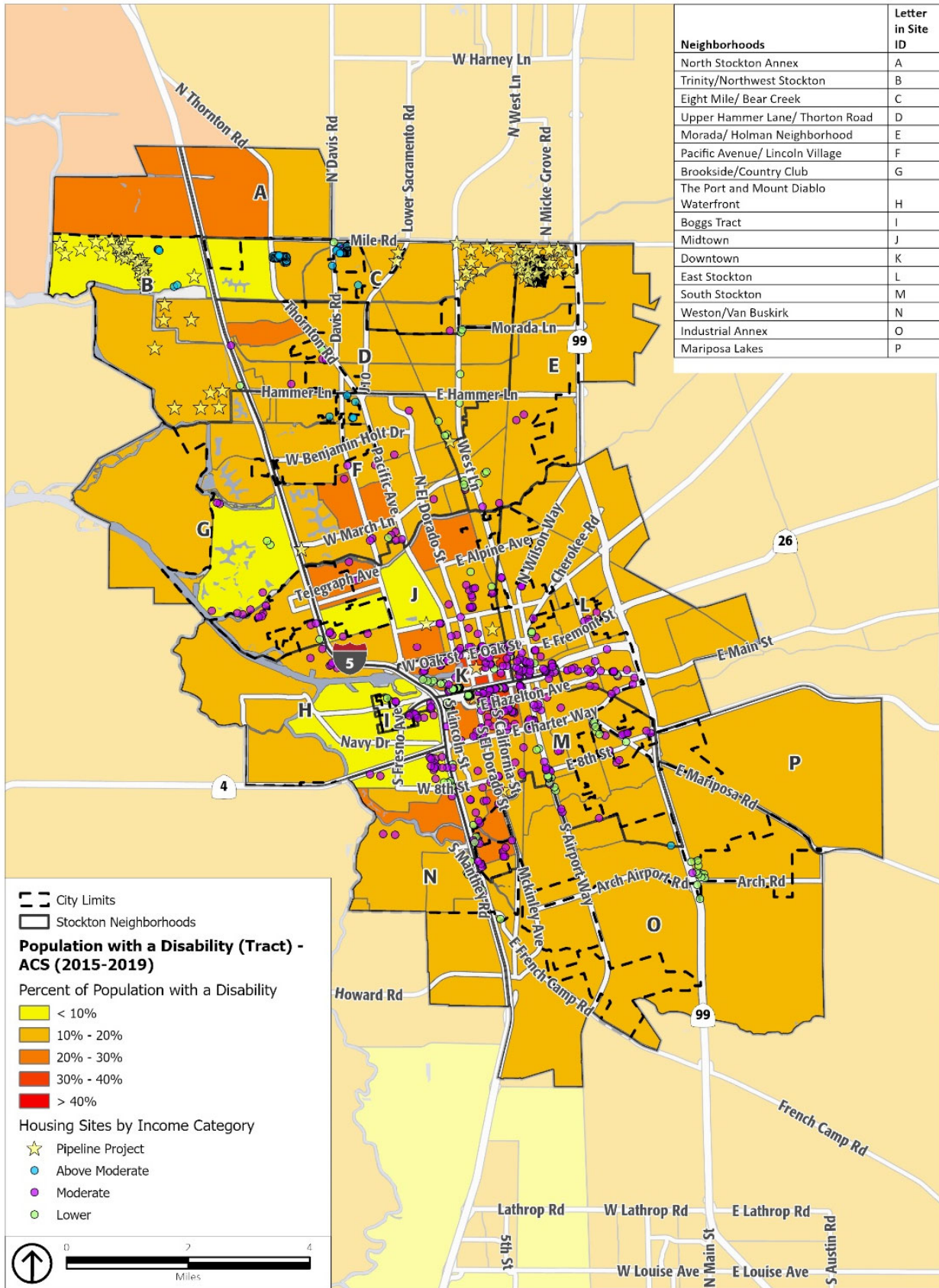
PERSONS WITH DISABILITIES

Persons living with disabilities are an important population with special needs with respect to housing. Such persons are often more likely to live in poverty, struggle to secure and maintain adequate employment, and sometimes require significant accommodations in housing. As shown in Table HE-33 in the HNA, 14.6 percent of the total population in Stockton five years and older had one or more disabilities in 2020, compared to 13.3 percent countywide and 8.0 percent in California. Among school age children, the most frequent disability was cognitive (48.6 percent). For persons ages 18 to 64 years, the most frequent disabilities were ambulatory (27.4 percent), cognitive (23.2 percent), and independent living (20.8 percent). Among seniors, ambulatory and independent living disabilities were the most frequent (29.2 percent and 21.6 percent, respectively).

Figure HE-9, Percentage of the Population with a Disability, shows the geographic distribution of residents with disabilities by census tract. The spatial distribution of Stockton residents living with disabilities is consistent with patterns demonstrated by Areas of High Segregation and Poverty and lower-income households, with lower rates of disability generally corresponding to High and Moderate resource designated areas. The majority of the city has a rate of persons with a disability below 20.0 percent, with census tracts with 10.0 percent or below of residents experiencing a disability found in the Trinity/Northwest Stockton, Brookside Country Club, Midtown (University of the Pacific), and the Port and Mount Diablo Waterfront (which contains very little residential population) neighborhoods. Census tracts with a share of residents with a disability between 20.0 percent to 30.0 percent of the total population are found in four tracts north of the Greater Downtown. Two of these tracts are adjacent to University of the Pacific campus, and one is adjacent to and inclusive of San

Joaquin Delta College. The availability of commercial uses, services, amenities, and transit opportunities in the vicinity of the campuses suggests that these areas may be attractive residential options for persons with disabilities, with TCAC/HCD designations ranging from Low resource west of University of the Pacific to High resource to the east of University of the Pacific and the San Joaquin Delta College environs. The final census tract with a high rate of persons with disabilities is in the Upper Hammer Lane/Thornton Road neighborhood between I-5 and Thornton Road, including the Wagner Heights Rehabilitation Center, suggesting that the residents of this facility contribute to the higher incidence of disability. South of Greater Downtown in the Weston/Van Buskirk neighborhood, the census tract north of French Camp and Walker Slough, west of I-5, including the Sierra Vista II affordable public housing complex, has a rate of persons with disabilities of 23.1 percent, of which 29.7 percent are seniors (although seniors comprise less than 10.0 percent of the total population in this tract, 65.0 percent experience a disability). This census tract is TCAC/HCD designated as an Area of High Segregation and Poverty, has a poverty rate of 43.5 percent, and the highest rate of single female-headed households with children.

Figure HE-9: Percentage of the Population with a Disability



Source: 2015-2019 ACS

Public Review Draft, April 2023

The census tracts with the highest proportion of residents with disabilities are found in Greater Downtown Stockton, north of Dr. Martin Luther King Boulevard (formerly East Charter Way,) east of I-5, south of West Harding Way and East Park Street, and west of North Van Buren Street and the Union Pacific Railroad Sacramento Subdivision/ACE line. The proportion of persons with disabilities range from 19.6 to 20.8 percent in the census tracts south of Harding Way and north of West Park Street (between 34.8 and 47.3 percent of disabled persons in these tracts are seniors); to 31.1 percent in the downtown core (33.7 percent of persons with disabilities are seniors); to just over 25.0 percent in the census tract to the west and southwest of the Downtown core (with seniors between 27.9 and 48.9 percent of disabled persons). As previously discussed, the Greater Downtown area is designated a TCAC/HCD Area of High Segregation and Poverty, HUD identifies it as a R/ECAP, and a large number of affordable housing and homeless resources are located in the vicinity, with transit opportunities available at the Amtrak Downtown ACE Station, the nearby Amtrak San Joaquin Street, and the Greyhound terminal at the corner of South Center and East Market Street.

There are several licensed assisted living facilities available to persons living with disabilities in Stockton. According to the State of California Licensing Division, accessed February 2023, there are 227 adult residential facilities with capacity for 1,490 residents, and 3 adult day care facilities southwest of the Industrial Annex neighborhood in the unincorporated French Camp area, with daily capacity for 235 persons. These residential homes are for adults with intellectual and developmental disabilities who also have medical, behavioral, or age-related support needs. There is also capacity for 1,948 persons in licensed senior residential facilities, with some of the largest being O'Connor Woods Assisted Living with capacity for 499 seniors, Camlu Assisted Living with capacity for 160 residents, Del Monte Stockton with capacity for

158 seniors, and Golden Haven with capacity for 150 seniors. Facilities are clustered largely within the western half of the Pacific Avenue/Lincoln Village; in the vicinity surrounding San Joaquin Delta College and the commercial services and amenities along Pacific Avenue and March Lane; and in the lower Morada/Holman neighborhood. There is also a cluster of assisted living facilities in the Midtown neighborhood in the vicinity of the St. Joseph's Medical Center between Pacific Avenue and North Airport Way, as well as within the Greater Downtown area in higher-density neighborhoods. Most facilities correspond with areas of concentrated disability, therefore explaining the higher rates of disabilities in these tracts compared to other areas of the city. As well, multifamily senior independent and single-family active adult communities are located throughout the city.

The City also requires new developments to comply with Title 24 of the 2022 California Building Code to ensure that all new construction meets accessible design standards, thus ensuring that all new housing is accessible for all residents regardless of disability. Additionally, the City will ensure that older housing that may not meet the same accessibility requirements can be adapted as needed through its Reasonable Accommodation process, discussed in the Governmental Constraints section of this Housing Element, and by seeking funding to assist with modifications (Program 27).

To improve access to housing for senior residents and other residents with disabilities, the City has included Program 25 to encourage all new units to be universally designed so they are accessible for both occupants and visitors.

ACCESS TO OPPORTUNITY

TRANSIT MOBILITY

Transit mobility refers to an individual's ability to navigate the city and region on a daily basis to access services, employment, schools, and other resources. Indicators of transit mobility include the extent of transit routes, proximity of transit stops to affordable housing, and frequency of transit.

Regional rail transit is provided by the San Joaquin Regional Rail Commission (Amtrak San Joaquins), which services 18 train stations in the San Joaquin Valley. Originating in San Francisco, the route travels to Oakland and Richmond (with connection to BART); up through Sacramento to Stockton; continuing to Modesto, Merced, Madera, Fresno, Hanford, and Bakersfield; to Los Angeles; and through Orange County to San Diego, with intermediate stations. ACE rail provides four trips per day to the Tri Valley and Silicon Valley. Sacramento service (including a shuttle connection to the Sacramento Airport) is expected to begin operating in 2025. In addition to rail service, Amtrak San Joaquin offers a Thruway Bus network with a connection at the Stockton San Joaquin Street Station serving Los Angeles, San Francisco, Yosemite, Napa, Las Vegas, Arcata, Chico, and San Luis Obispo. Thruway connections are also available between Redding and Sacramento, and between Santa Cruz and Stockton via San Jose on the Altamont Corridor Express, connecting to Silicon Valley business shuttles and BART.

Stockton Metropolitan Area residents are served by the San Joaquin Regional Transit District (RTD). There are six transit service types in the RTD system serving Stockton. The RTD Local fixed route connects BRT Express, Intercity Local, Hopper, and Commuter services as well as VanGo! and Dial-A-Ride paratransit services.

San Joaquin RTD is one of the transit operators in the Access San Joaquin Consolidated Transportation Services Agency formed by multiple transit operators in San Joaquin County. One of the primary goals of Access San Joaquin is to improve the quality of transportation services for low-mobility groups such as seniors and people with disabilities, discussed in greater detail later in this section.

Two Commuter routes provide service north to Sacramento. Route 150 operates between the Downtown Transit Center and the Dublin BART Station between 4:00 am and 7:20 pm on weekdays, with a stop at the Tracy Transit Station and weekend service between 7:00 am and 10:30 pm; Route 163 connects Stockton to Lodi and Sacramento via SR-99 on weekdays, with service originating in Stockton at 5:30 am and the last bus from Sacramento arriving back in Stockton at 6:30 pm. Monthly round-trip fares from Stockton to Sacramento are \$176 monthly or \$7.00 one way.

RTD launched its first Bus Rapid Transit (BRT) Express Corridor in 2007. BRT Express routes are key corridors, some up to six miles in length, and are important interconnections within the transportation system for the city of Stockton. BRT operates five fixed local intracity express routes between the Downtown Transit Center at California Street and East Weber Avenue, throughout the city, with connections at the Hammer Transfer station. Routes are operated from 5:20 am to 10:11 pm on weekdays and from 7:00 am to 7:44 pm on Saturday, depending on the route.

There are 21 local routes that serve the Stockton community via the Downtown Transit Center, Mall Transfer Station, and Hammer Transfer Station. As well, there are seven Local Hopper routes and five Hopper County routes. Metro Hopper is a deviated fixed-route service serving popular destinations throughout the Stockton city limits, operating Monday through Friday, 6:00 am to 6:30 pm, running approximately

Public Review Draft, April 2023

every hour. County Hopper is a deviated fixed-route service serving San Joaquin County and providing intercity connections between Stockton, Tracy, Lodi, Manteca, Ripon, Lathrop, and Escalon. There are five weekday routes that operate from 5:30 am to 9:00 pm. The BRT Express, Local, Intercity, and Hopper systems charge \$1.50 for a single ride; the discounted rate for seniors over age 60, persons with disabilities, and Medicare cardholders is \$0.75; and children are free. A one-day pass is \$4.00 with the discount rate at \$2.00. Monthly full-price passes are \$65.00, with discount fares at \$30.00, and special student fares at \$40.00.

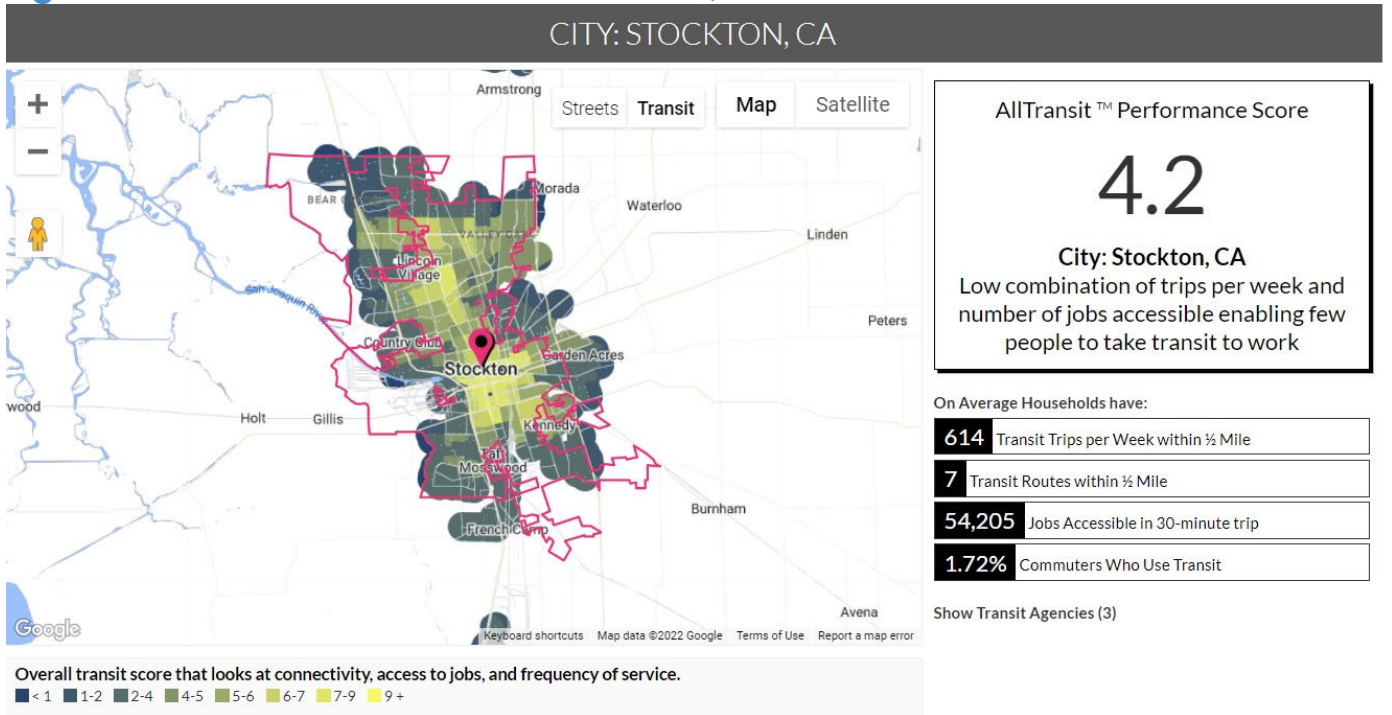
The new RTD VAN Go! pilot program offers trips throughout San Joaquin County, with no set zones or transfers required. Van Go is an on-demand ride-share service that can be booked up to 48 hours in advance. Travel does not operate on a fixed schedule; however, patrons are provided an estimated pick-up window. From one to three passengers can be accommodated. The set fee for the first five miles of a personalized route is \$4 per person, with \$0.50 per additional mile per person. Discount fare cards are available for \$3.00 per person with a \$0.50 per mile charge.

In order to accommodate ADA-certified passengers who are not able to reach fixed-route stops, each Hopper can deviate from its normal route a distance of up to one mile. The service covers approximately 75.0 percent of the Stockton Metro Area for ADA-certified customers with the one-mile deviation. Within a rural area, each County Hopper can also deviate from its normal route a distance of up to one mile. Reservations are required. RTD offers Paratransit Dial-A-Ride for those who qualify under the Americans with Disabilities Act (ADA). This program is specifically designed for individuals who, due to their disability, are functionally unable to use fixed-route services in San Joaquin County. This service is available seven days a week by appointment only and operates within three-quarters of a mile of

Stockton Metro Area (SMA) fixed routes. Persons interested in this service must obtain certification under the ADA through an eligibility process.

According to AllTransit, (see **Figure HE-10, Transit Score in Stockton**), Stockton has an overall transit score of 4.2, which is comparable to other cities in the San Joaquin Valley, reflecting a relatively low combination of trips per week and number of jobs accessible via transit. While there are seven transit routes in Stockton, with most residential neighborhoods located within a half mile of one or more routes, only 1.7 percent of commuters use transit. Annual ridership on the Altamont Corridor Express (ACE) commuter rail service between Stockton and Santa Clara has more than doubled from 2010 to 2019, suggesting that commuters from Stockton may rely on ACE rather than local and regional bus routes because their jobs that are more easily accessible via ACE.

Figure HE-10: AllTransit Performance Score, 2022



Source: AllTransit, 2022.

HOUSING MOBILITY

As presented in HNA Table HE-31: Housing Tenure, 2020, 50.1 percent of households are renters in Stockton. The homeownership vacancy rate in the city is 0.4 percent, and the rental unit vacancy rate is 2.6 percent. This may indicate that, while there is a greater shortage of ownership units for renters seeking homeownership and existing homeowners seeking a new home, there are also limited mobility opportunities for households seeking rental opportunities. Renters are the slight majority tenure in Stockton, and HCV participants are present throughout most of the city (**Figure HE-11, Housing Choice Voucher Distribution in Stockton**). There are six census tracts in which 15.4 to 28.8 percent of renter households use an HCV. Three of the census tracts with HCV usage above 15.0 percent are in the Upper Hammer Lane/Thornton Road neighborhood. The greatest concentration is in the Stockton Summerplace and Knickerbocker/Tam O'Shanter Drive residential areas, where 28.8 percent of renter households

use an HCV. The homes in these areas are generally older, smaller single-family stock, much of which has been converted to rental units, with high proportions of renter households. In addition to HCV usage, there are also two affordable multifamily complexes within this census tract providing 499 affordable housing units. Correlating to this high HCV usage and presence of affordable housing units, the rate of poverty is 36.3 percent, with median incomes ranging between \$26,462 and \$37,127.

The second highest concentration is found in the Pacific Avenue/Lincoln Village neighborhood, to the southeast of the Pacific Avenue commercial corridor, where 22.7 percent of renters use an HCV, and renters comprise 85.3 percent of households. In addition to the HCVs, there are two affordable multifamily complexes offering 133 units, and the housing stock includes several condominium type complexes. Correlating to this high HCV usage and presence of affordable housing units, the rate of poverty is the highest in the city, at 41.9 percent, with

Public Review Draft, April 2023

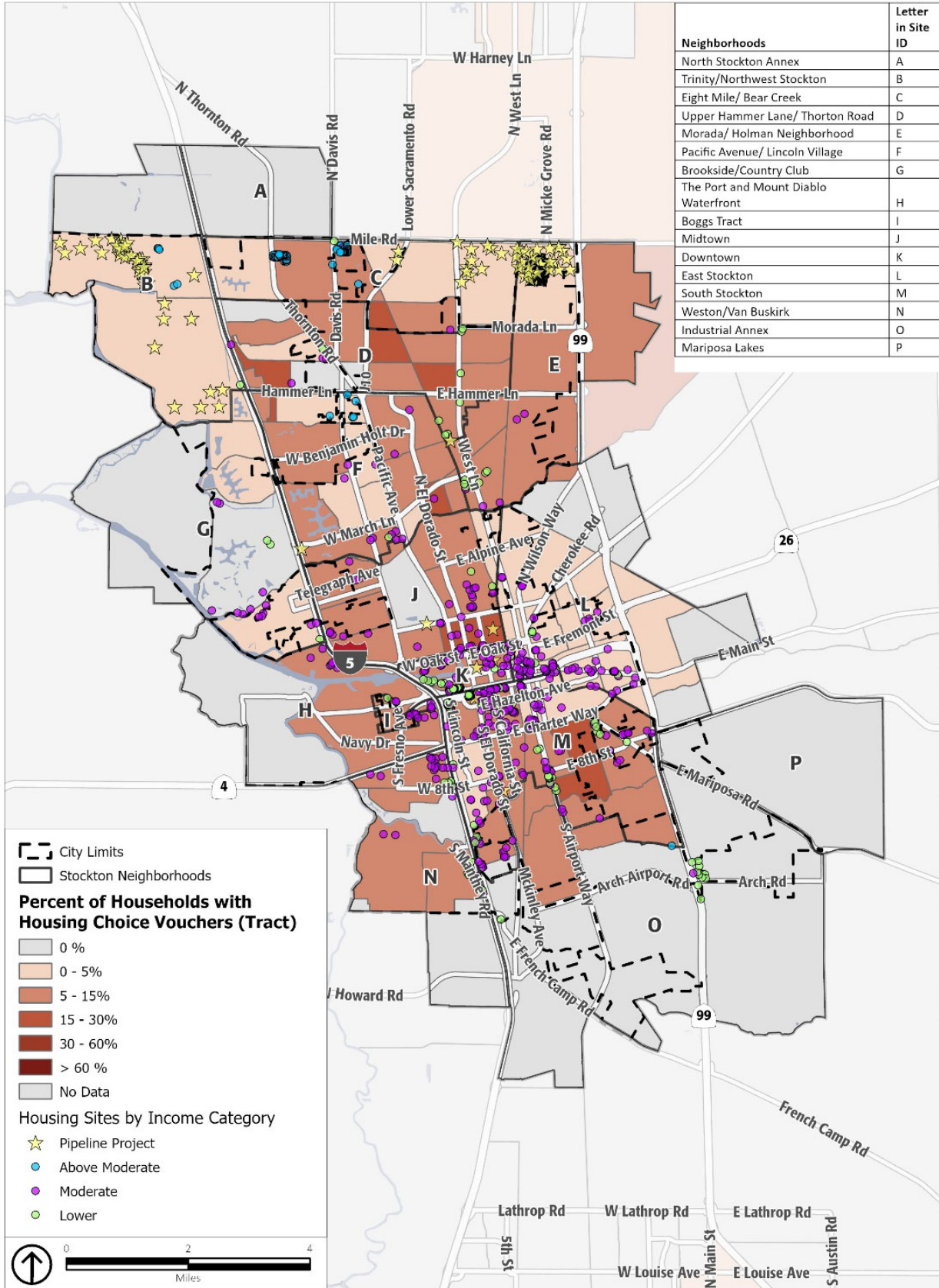
median incomes in the two western block groups of this tract at \$25,328 and \$28,419, and concentrations of non-White populations above 93.5 percent. The census tract in the Midtown neighborhood directly adjacent to Downtown, inclusive of the Cal State University Stanislaus–Stockton campus, is also an area with a high poverty rate at 33.9 percent and low median incomes between \$13,244 and \$33,873 (although these incomes may reflect population associated with the college) and reflects an HCV usage rate of 16.7 percent.

High rates of HCV use (15.5 percent) are also found along the southeast edge of the South Stockton neighborhood in a census tract inclusive of unincorporated county land. In addition to HCV usage, the Housing Authority of the County of San Joaquin and Central California Housing Corporation provide 215 Sierra Vista Homes public housing units. Correlating to this high HCV usage and presence of affordable housing units, a location in the vicinity of the Stockton Airport, industrial uses, and the Union Pacific Railroad track switching yards, the rate of poverty ranges from 41.1 percent in the northern block group to 31.5 percent in the southern block group, with median incomes ranging between \$24,743 to \$26,050 and over 98.0 percent non-White populations.

Throughout the rest of the city, HCV renter use is lower than 15.0 percent, with the majority of the city having HCV usage rates between 5.0 and 15.0 percent (**Figure HE-11, Housing Choice Voucher Distribution in Stockton**), with rates between 10.0 to 15.0 percent adjacent to tracts with the highest concentration of voucher users. The lowest HCV usage is found in the northern portions of the city, the western edge, in the East Stockton neighborhood, and in the Pacific Avenue/Lincoln Village neighborhood around San Joaquin Delta College and University of the Pacific. The concentration of voucher recipients in the neighborhoods with HCV rates above 15.0 percent may be due to the availability of

housing that is affordable with a voucher, meets the condition requirements of the voucher, or that landlords in other areas of the city are unaware of the requirement to accept vouchers. The concentration in the Stockton Summerplace and Knickerbocker Drive residential areas may also be due to the high percentage of female-headed households found in that census tract.

Figure HE-11: Housing Choice Voucher Distribution in Stockton



Source: HUD, 2021

Stockton median rent for apartments and condos is \$1,823, based on a survey of 97 available rentals on October 12, 2022. The price range for apartments was between \$850 to \$2,437 for studio to four-bedroom units (see HNA Table HE-30: Average Rental Rates, 2022). Based on 2022 ability to pay for housing based on HCD Income Limits as shown in Table HE-27 in the HNA, only households with median incomes would be able to afford the median rent. The fair market rent for three-bedroom units, the most common size rental unit in the Stockton MSA, as established by HUD, is \$1,607, but the average monthly rent for a three-bedroom unit, inclusive of multifamily units, condos, duplex to fourplex units, or single family attached or detached units converted to rental properties, was \$2,357, which would be above the affordability range of lower- and median-income households. This indicates that the majority of market-rate rental units, at sizes appropriate to accommodate a variety of household sizes, are only attainable to moderate-income households, indicating a need for additional stock of rental units available at fair market rents affordable to lower-income households, particularly very low- and extremely low-income households. To increase opportunities for housing mobility, the City shall work with the Housing Authority of San Joaquin County to increase voucher acceptance in areas of higher income through Program 9. Strategies may include partnering with the Housing Authority to provide biannual training to landlords regarding fair-housing requirements, including the requirement that they accept vouchers, and educate property owners in Moderate resource areas, as defined by TCAC higher-income neighborhoods, about the benefits of voucher holding-tenants, encouraging them to market available units at their rental properties to voucher holders; and assess the feasibility of a landlord incentive program for landlords that choose to accept voucher-holding tenants. The landlord incentive program could be focused on Low resource

areas, as defined by TCAC, or neighborhoods that experience higher rates of rental increases.

Employment Opportunities

According to Census Longitudinal-Employer Household Dynamics Origin-Destination Employment Statistics (LODES) data, 34.4 percent of the labor force in the city of Stockton is employed in the city itself; conversely 65.6 percent of Stockton residents are employed outside of the city limits. 53.8 percent of Stockton residents are employed within the San Joaquin County metropolitan area, while 19.4 percent of Stockton residents work elsewhere in the county. Approximately 16.5 percent of Stockton residents are employed in the San Francisco-Oakland-Berkeley MSA, 9.2 percent in the Sacramento-Roseville-Folsom MSA, 4.8 percent to the San Jose-Santa Clara MSA, and 3.3 percent work in the Modesto MSA. A small proportion, less than 1.5 percent each, are employed in Solano County, Fresno County, and other southern California locales, although 2.6 percent are employed in the Los Angeles-Long Beach-Orange County MSA. Although specific data is not available, the recent work-from-home employment trend that increased remote employment potential may account for a portion of the employment locales in outlying metropolitan areas. Commutes over 50 miles, generally outside of San Joaquin County, are primarily to the west and southwest toward the Bay Area (54.6 percent of long-distance commutes), with 26.1 percent of the long distance commutes southeast to cities along SR-99, with concentrations in the cities of Merced, Madera, and Fresno. Only 9.0 percent of Stockton residents travel north-northeast to the Sacramento area.

Slightly over one-half of Stockton residents work in San Joaquin County, and 43.6 percent of Stockton residents live within 10 miles of their place of employment. According to LODES data, 44.5 percent of these workers travel south and southeast of their place of residence; 34.2

Public Review Draft, April 2023

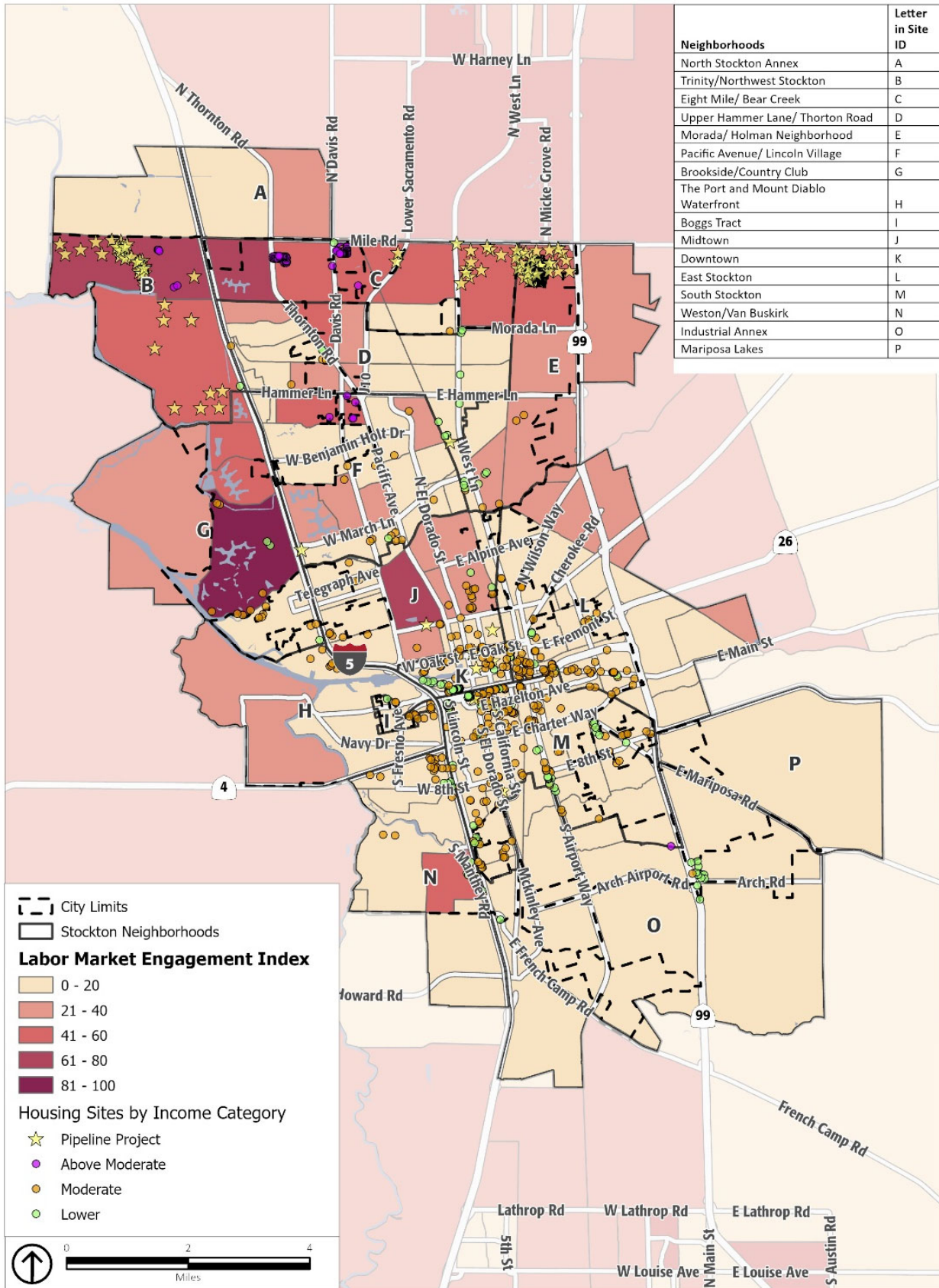
percent travel north, northwest, and northeast; 11.9 percent travel to the southwest and west; and 9.3 percent travel east. Because the lineal distance between northern and southern city limits is approximately 15 to 16 miles, this may include either intracity commutes, work-from-home employment, and short commutes from within the city to locations external to city limits. Intracity commutes and work from home account for 34.4 percent of the Stockton workforce; therefore, approximately 9.2 percent of Stockton residents with short commutes work in the vicinity of the city yet outside of the city limits, which could include the airport, expanding industrial facilities south along I-5 toward French Camp, and in developing tracts north and east of the city.

The Labor Market Engagement Index (**Figure HE-12, Local Labor Market Engagement**) depicts the relative intensity of labor market engagement and characteristics of the labor force in a geographical area, typically a census tract. This is based on three factors: unemployment rate; labor force participation rate; and educational attainment (BA degree and higher). The higher the score, the higher the labor force participation and hence potential earnings associated with higher levels of educational attainment. In Stockton, the Labor Market Engagement Index indicates the highest participation rates are in the northwestern residential neighborhoods from the northern boundary of the city to the Calaveras River, and along the northeastern and western edges of the city. The areas of the city with the highest Labor Market Engagement Index (88) include the villages within and north of the Brookside/Country Club neighborhood, which also correlates to the area with the highest median incomes in the city, over \$95,000, as well as TCAC/HCD most positive educational outcomes and the most positive economic outcomes percentile rankings. The census tracts, including the University of the Pacific and Dameron Hospital in the Midtown neighborhood, have labor market participation

rates between 35 and 70, correlating to areas with median incomes between \$87,100 and \$125,000, and TCAC/HCD positive economic outcomes in the 50th to 75th percentile range, although educational outcome domain scores are lower, between the 20th and 60th percentile range. Conversely, the labor market index is lowest in the central and southern portion of the city, within the areas identified as R/ECAPs, and in the northeastern portion of the city, with labor market indices below 10, generally correlating to areas with median incomes below \$55,000.

In Stockton, the unemployment rate was approximately 9.7 percent, although this rate reflects the unemployment rate during the height of the COVID epidemic and therefore does not represent the more accurate conditions reported by the US Bureau of Labor Statistics, which is 5.2 percent as of December 2022 (see HNA Table HE-11, Unemployment Rates). The unemployment rate closely reflects those found throughout San Joaquin County in 2020, suggesting that residents of Stockton had similar access to employment opportunities during the pandemic. The jobs-household ratio was 1.2 in 2020, indicating that there is a strong balance between jobs and housing; however, this figure could also be reflective of the increase in persons working remotely during the pandemic and reporting their workplace as Stockton. As well, as discussed above, 34.4 percent of the labor force in the city of Stockton is employed in the city itself; conversely 65.6 percent of Stockton residents are employed outside of the city limits, suggesting that while the number of jobs in the city and labor force participation are fairly equivalent, the majority of residents living in the city work outside of the city, and conversely, the majority of jobs available in the city are filled by persons commuting in from other localities.

Figure HE-12: Local Labor Market Engagement

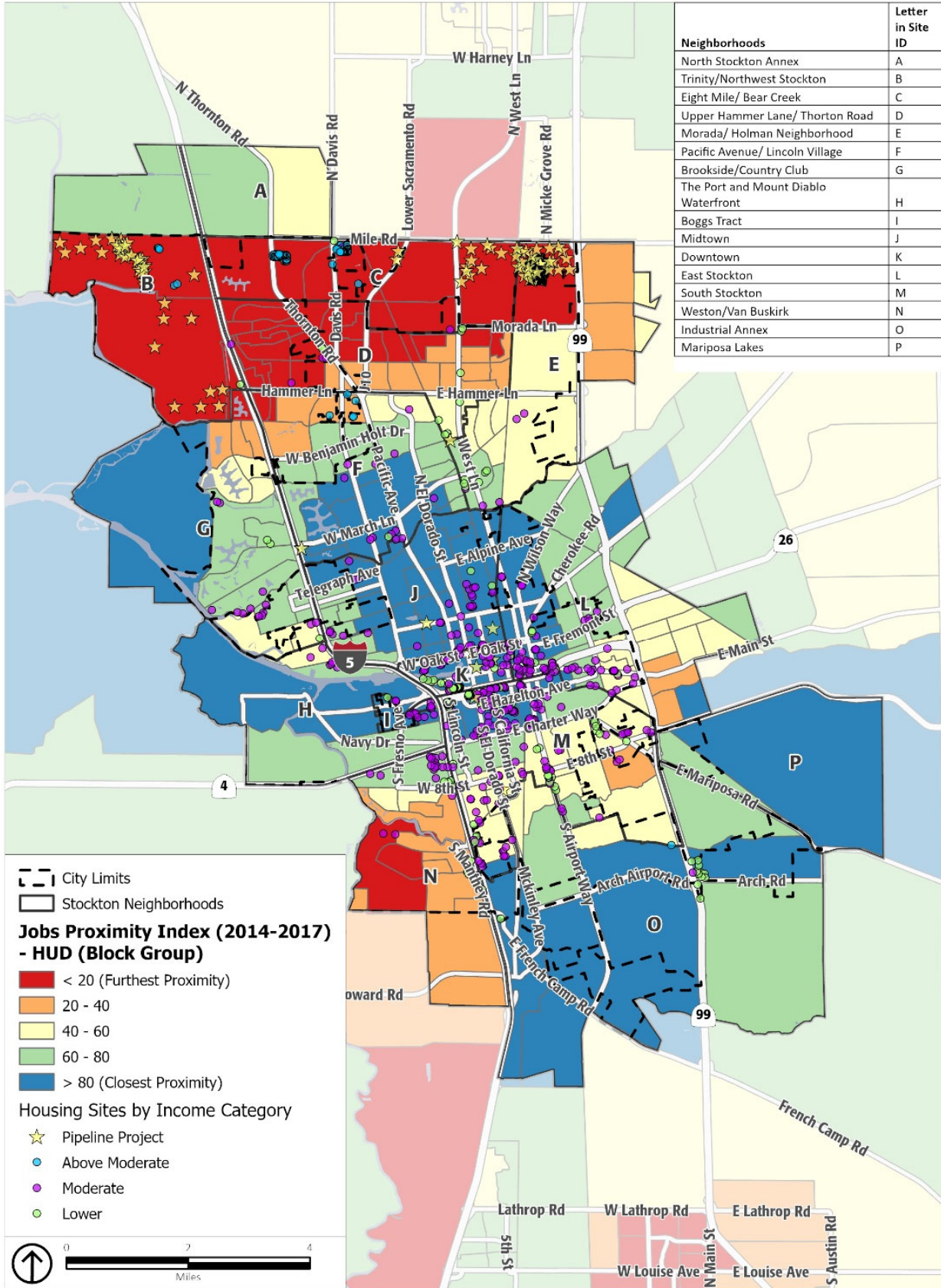


Source: HUD, 2021

Figure HE-13, Local Jobs Proximity, shows that central Stockton has the closest proximity to jobs, with scores above 90 in the vicinity of Downtown and up to 98 in portions of the Midtown neighborhood. However, many of the census tracts with the higher jobs proximity scores align with those with the lowest employment participation scores, are designated as R/ECAPS, and exhibit rates of poverty 20.0 percent and higher. These areas also generally correlate with TCAC/HCD Educational Outcome and Economic Outcome scores falling below the 25th percentile range, suggesting that while there are many job opportunities in these tracts, the resident population is not filling them. Scores in the northern portion of the city indicate furthest proximity to jobs, falling between the 5th to 15th percentiles, although these same areas reflect market participation index scores ranging between the 43rd and 65th percentile. These areas are predominantly newer residential neighborhoods with incomes among the highest in the city, also corresponding to TCAC/HCD Economic and Educational Outcome Domain scores above the 75th percentile. Based on the employment destination data previously discussed, a portion of residents in these neighborhoods may commute to employment opportunities outside of the city, supporting recent trends of households with higher paying jobs relocating from the Bay area to newer market rate residential developments in Stockton. While **Figure HE-13, Local Jobs Proximity**, and **Figure HE-12, Local Labor Market Engagement**, show discrepancies in access to or engagement in labor market opportunities, the unique characteristics of employment opportunities in and near Stockton suggest that these maps may not reflect economic conditions in the city, and that proximity to jobs does not indicate higher economic outcomes, access to resources, or employment engagement. Therefore, although there are employment opportunities associated with upper-level educational facilities throughout the city, and a

substantial business and industrial base in the Downtown, South Stockton, and Industrial Annex neighborhoods, providing a variety of employment options available to residents of Stockton, the high rates of residents commuting outside of the city and unemployment rates in sections of the city with concentrations of jobs suggests that access to employment opportunities does pose a fair housing issue because there is not a strong correlation between labor force qualifications and types of employment available in the city.

Figure HE-13: Local Jobs Proximity



Source: HUD, 2017

EDUCATION

Two main school districts serve the city: the Stockton Unified School District (SUSD) has a total of 59 schools in the city reported on by the Department of Education—47 elementary schools, 2 middle schools, 6 high schools, and 4 upper-level alternative schools—and the Lincoln Unified School District serving the Pacific Avenue/Lincoln Village and Brookside/Country Club neighborhoods with a total of 12 schools, including 2 elementary schools, 6 elementary through middle schools (K-8), 1 middle school, 2 high schools, and a charter school. Of the 58 schools in the SUSD for which English Language Arts (ELA) and Mathematics performance scores were available in 2021, the Department of Education reported that most of the schools are below the state grade-level standards for ELA and mathematics (see Table HE-47). Similar performance statistics exist for the Lincoln Unified School District, although overall scores are generally higher, reflected in the TCAC/HCD educational domain scores above the 50th percentile.

The proportion of each school's population that was considered socioeconomically disadvantaged in 2021 ranged from 40.1 percent at the Kohl Open Elementary to 93.9 percent at Spanos Elementary in the SUSD, and 30.9 percent at Brookside Elementary/Middle School to 76.1 percent at Valley Oaks High School in the Lincoln Unified School District. Although this factor does not consistently correlate with income, there is a general relationship between disadvantaged students, ELA and math standardized scores, and TCAC/HCD Educational Domain scores. Approximately 3.4 percent of schools in the SUSD have less than 50.0 percent disadvantaged students in the student body, and 6.8 percent have 50.0 and 60.0 percent disadvantaged student populations. In comparison, in the Lincoln Unified School District, 25.0 percent of the schools have less than 50.0 percent disadvantaged student

populations, and another 25.0 percent have between 50.0 and 60.0 percent disadvantaged student populations. The highest proportion (100.0 percent) of socioeconomically disadvantaged students is at the Dr. Lewis Dolphin Stallworth Sr. Charter School in the Downtown Core of the city.

Overall, within the SUSD there were three schools where 60.0 percent or more of the students had ELA performance scores at or above the standard, all of which are alternative high school or college preparatory schools in the central Downtown Core area, corresponding to TCAC/HCD educational domain scores above the 75th percentile, with socioeconomically disadvantaged student populations ranging between 55.1 and 75.9 percent. Three schools had between 40.0 to 59.9 percent of the students scoring at or above the standard, with socioeconomically disadvantaged student populations comprising between 47.8 to 72.4 percent of the student body. These schools are east of West Lane in the Morada/Holman neighborhood with TCAC/HCD educational domain scores in the 57th to 85th percentile, with one located downtown, also with a most positive educational outcome percentile score. There is no consistent correlation between median income and higher ELA scores, with median incomes ranging from \$12,256 to \$85,717. Within the Lincoln Unified School District, there also were three schools where approximately 60.0 percent or more of the students had ELA performance scores at or above the standard, one of which is a charter school and one is Brookside Elementary School in the Brookside Country Club subdivision with a TCAC/HCD educational domain score in the 86th percentile, correlating with the highest median incomes in the city and the lowest proportion of socioeconomically disadvantaged students.

A large proportion of the schools throughout the city and in the SUSD, 49.2 percent, had less than 20.0 percent of students with ELA performance

Public Review Draft, April 2023

scores at or above the standard. Disadvantaged students comprised between 73.1 and 92.9 percent of the student population, correlating with TCAC/HCD educational domain scores generally below the 50th percentile. The relatively low ELA and math

scores among all schools in the Stockton Unified School District, with a few exceptions in the northeast, north, northwest, and downtown area, indicates that students generally have similar access to lower performing schools.

**Table HE-47: Performance Scores for Stockton Unified School District
San Joaquin County, 2021-22**

SCHOOL NAME	ELA SCORE	MATH SCORE	SOCIO-ECONOMICALLY DISADVANTAGED	FOSTER YOUTH	ENGLISH LEARNERS
Adams Elementary	11.5%	5.9%	82.9%	7	20.0%
Alexander Hamilton Elementary	11.3%	7.1%	91.0%	9	33.0%
Aspire APEX Academy	16.7%	10.1%	77.5%	5	14.7%
Aspire Langston Hughes Academy	31.8%	19.2%	72.2%	5	10.6%
Aspire Rosa Parks Academy	13.5%	8.9%	88.9%	2	4.8%
August Elementary	15.5%	7.4%	93.0%	5	39.8%
Cleveland Elementary	17.6%	11.6%	87.9%	14	21.8%
Commodore Stockton Skills	37.2%	29.9%	57.4%	1	4.4%
Dolores Huerta Elementary	14.7 %	5.1%	92.9%	23	34.0%
Dr. Lewis Dolphin Stallworth Sr. Charter	13.5%	6.8%	100.0%	3	53.1%
El Dorado Elementary	12.7 %	9.0%	91.5%	15	18.6%
Elmwood Elementary	21.2%	9.5%	81.8%	2	30.3%
Fillmore Elementary	17.6%	6.8%	87.9%	5	33.7%
Flora Arca Mata	26.4%	18.3%	N/A	4	13.9%
George W. Bush Elementary	23.9%	13.8%	75.7%	8	16.2%
George Washington Elementary	19.9%	12.2%	85.0%	7	37.6%
Grunsky Elementary	16.3%	11.5%	89.2%	--	16.1%
Hazeltown Elementary	18.2%	5.7%	91.6%	10	32.7%
Harrison Elementary	20.0%	9.5%	80.0%	7	33.5%
Hoover Elementary	12.6%	8.4%	73.3%	4	16.7%
John C. Fremont Elementary	14.3%	7.0%	85.2%	9	38.2%
John Marshall Elementary	10.6%	7.5%	73.1%	9	23.9%
Kennedy Elementary	15.8%	13.7%	74.5%	11	23.7%
King Elementary	17.5%	11.7%	89.5%	14	40.3%
Kohl Open Elementary	26.9%	15.9%	40.1%	--	5.3%
Madison Elementary	16.6%	8.2%	78.6%	10	18.1%
Maxine Kong Kingston Elementary	21.6%	11.9%	72.2%	6	16.8%
McKinley Elementary	13.6%	7.7%	87.7%	9	48.1%
Monroe Elementary	14.3%	6.0%	85.7%	9	34.5%
Montezuma Elementary	20.2%	14.3%	83.3%	8	38.4%
Nightingale Charter	28.1%	21.0%	86.8%	2	22.5%
Pittman Charter	25.5%	15.5%	89.2%	1	41.0%
Pulliam Elementary	18.1%	8.1%	80.6%	9	8.2%
Rio Calaveras Elementary	45.4%	29.3%	72.4%	3	19.2%
Roosevelt Elementary	19.3%	10.8%	89.1%	8	37.3%
San Joaquin Elementary	30.4%	19.2%	68.4%	12	24.2%
Spanos (Alex G.) Elementary	20.4%	14.7%	93.9%	6	45.6%
Stockton Collegiate International Elementary	29.1%	23.2%	57.7%	--	15.4%

Public Review Draft, April 2023

SCHOOL NAME	ELA SCORE	MATH SCORE	SOCIO-ECONOMICALLY DISADVANTAGED	FOSTER YOUTH	ENGLISH LEARNERS
Taft Elementary	21.7%	12.5%	84.5%	10	30.4%
Taylor Leadership Academy	15.1%	5.1%	85.7%	10	21.3%
TEAM Charter	25.9%	4.5%	89.8%	9	24.1%
Valentine Peyton Elementary	51.6%	40.1%	57.7%	8	12.6%
Van Buren Elementary	11.2%	7.2%	92.9%	5	29.2%
Victory Elementary	22.5%	13.4%	85.7%	14	14.8%
Walton Development Center	--	--	--	5	33.7%
Wilhelmina Henry Elementary	19.6%	9.4%	88.6%	3	42.6%
Wilson Elementary	15.6%	14.1%	80.6%	5	16.6%
Aspire Stockton Secondary Academy	32.1%	15.5%	--	--	14.6%
Stockton Collegiate International Secondary	47.2%	17.9%	47.8%	--	13.6%
Cesar Chavez High	42.0%	11.9%	69.2%	24	15.4%
Edison High	33.0%	5.1%	81.8%	31	23.9%
Edward C. Merlo Institute of Environmental Studies	33.9%	13.6%	93.1%	2	26.9%
Franklin High	32.8%	12.8%	79.6%	9	25.0%
Health Careers Academy	66.3%	16.3%	70.0%	1	10.1%
Jane Fredrick High	5.6%	0%	85.2%	5	26.1%
Stagg Senior High	38.6%	6.3%	70.4%	81	33.3%
Stockton Senior High	18.2%	0%	--	4	9.9%
Weber Institute	65.3%	15.8%	75.9%	2	8.6%
Stockton Early College Academy	98.1%	67.0%	55.1%	--	1.8%

Source: California Department of Education, 2021, accessed 11/2022.

**Table HE-48: Performance Scores for Lincoln Unified School District
San Joaquin County, 2021-22**

SCHOOL	ELA	MATH SCORE	SOCIO-ECONOMICALLY DISADVANTAGED	FOSTER YOUTH	ENGLISH LEARNERS
Brookside Elementary/Middle School	69.2%	58.5%	30.9%	<10	7.8%
Claudia Landeen Elementary/Middle School	31.0%	18.4%	73.9%	<10	16.7%
Colonial Heights Elementary/Middle School	31.9%	19.2%	69.9%	<10	10.7%
Don Riggio Elementary/Middle School	27.6%	15.4%	58.6%	<10	20.2%
Lincoln Elementary School	35.6%	27.9%	73.9%	<10	15.7%
John R. Williams Elementary	28.3%	18.7%	64.9%	<10	14.5%
Mable Barron Elementary/Middle School	38.3%	25.1%	55.1%	<10	10.0%
John McCandless Charter School	68.5%	45.1%	35.1%	<10	4.4%
Sierra Middle School	51.7%	16.6%	55.1%	<10	9.8%
Tully C. Knoles Elementary/Middle School	39.3%	19.7%	71.9%	<10	16.7%
Lincoln High School	59.5%	25.0%	48.2%	<10	9.5%
Village Oaks High School	18.2%	0%	76.1%	<10	17.9%

Source: California Department of Education, 2021, accessed 2022.

Public Review Draft, April 2023

The anticipated educational outcome is a measure of several factors, including:

- students' individual abilities
- quality of schools attended, and
- family backgrounds

These factors are correlated with:

- proficiency on standardized tests
- high school graduation rates, and
- student poverty indicators (sociologically disadvantaged)

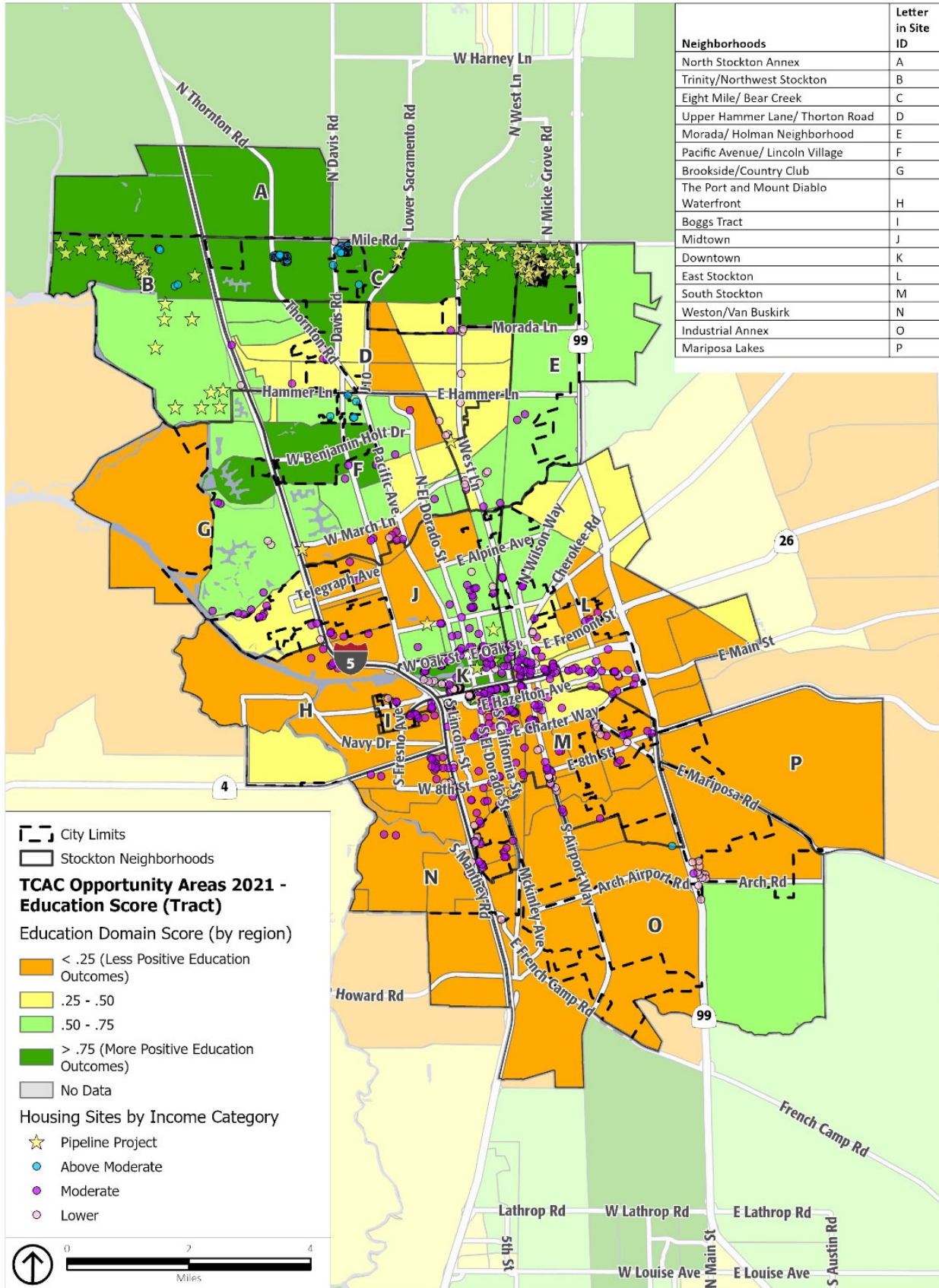
The results of this analysis can identify potential for higher levels of educational achievement such as high school graduation and college attendance, preparation for the workforce and associated long-term improvements in earnings, health and upward mobility, reductions in prejudice and negative attitudes across racial groups, and even risk of disciplinary action. According to TCAC and HCD, anticipated educational outcome varies throughout the city (**Figure HE-14, Local TCAC/HCD Educational Domain Score**). In Stockton, the highest expected educational outcome, above the 80th percentile, is expected in the Brookside Country Club, Trinity/Northwest Stockton, Eight Mile/Bear Creek, Morada/Holman, and portions of Pacific Avenue/Lincoln Village neighborhoods in the San Joaquin Delta College and adjacent Venetian Park residential areas, and within the Downtown. Areas with above moderate expected educational outcomes between the 59th and 73rd percentiles are found in the northern central residential subdivisions and southern edge of the Pacific Avenue/Lincoln Village neighborhood, within the Midtown neighborhood adjacent to University of the Pacific, and the southwest corner of the Morada/Holman neighborhoods.

The lowest expected educational outcome, according to TCAC and HCD, is found in two major areas of the city. The largest area includes South Stockton, East Stockton, Weston/ Van

Buskirk, and Industrial Annex neighborhoods, where scores are below the 20th percentile. The schools in this area (Edward Merlo Institute, Franklin High, Cezar Chavez High, and Nightingale Charter are the exceptions) generally reflect performance scores below 20.0 percent of meeting the state ELA standard and lower scores for math proficiency, as presented in Table HE-48.

To identify whether housing instability impacts school performance, particularly in areas in which the schools have a high proportion of socioeconomically disadvantaged students, and to ensure students are able to live and work in Stockton, the City has included Program 29 to pursue solutions.

Figure HE-14: Local TCAC/HCD Educational Domain Score



Source: TCAC/HCD, 2021

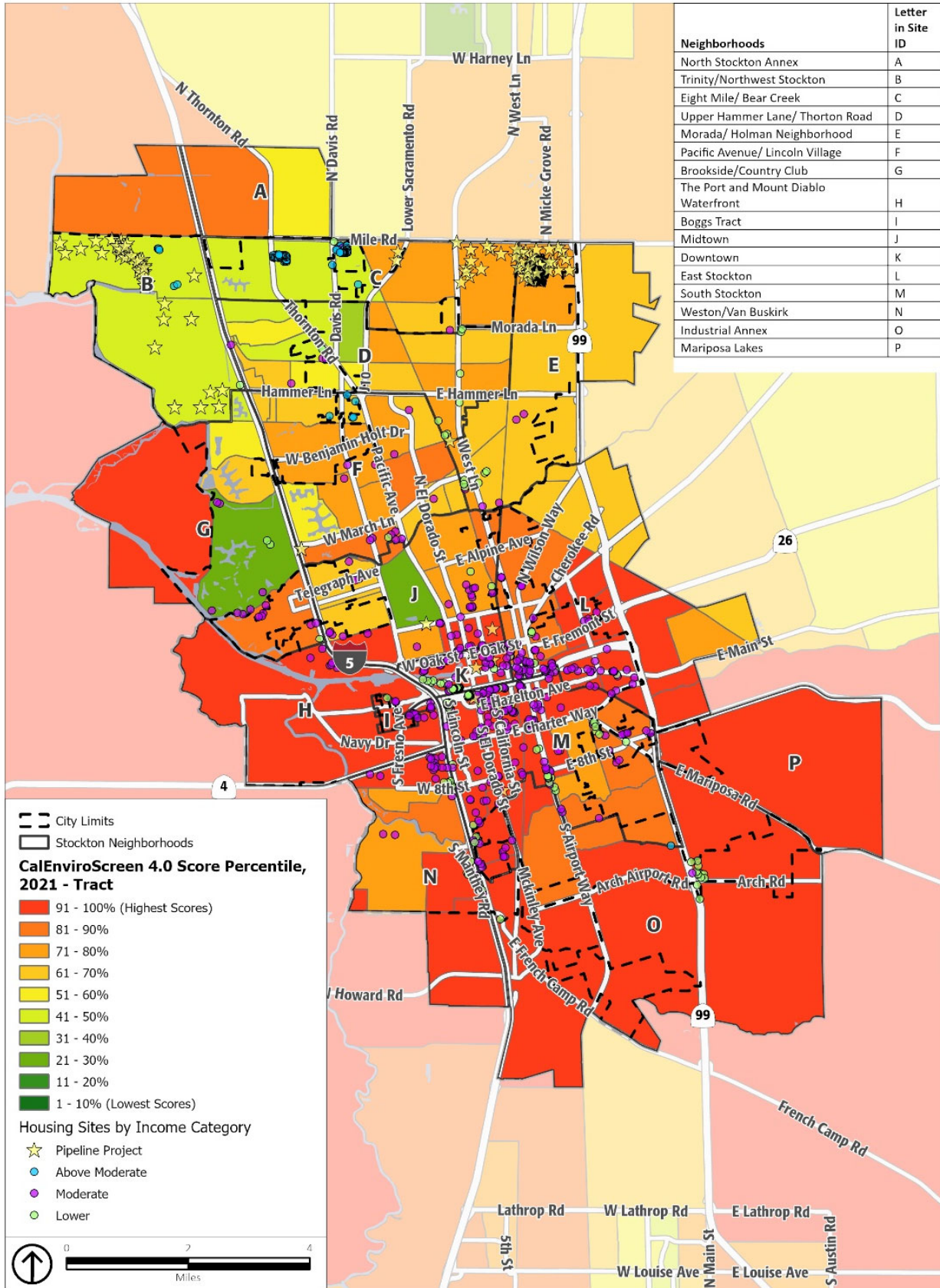
ENVIRONMENTAL HEALTH

A disadvantaged community or environmental justice community (EJ Community) is identified by the California Environmental Protection Agency as “areas that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation,” and may or may not have a concentration of low-income households, high unemployment rates, low homeownership rates, overpayment for housing, or other indicators of disproportionate housing need. In February 2021, the California Office for Environmental Health Hazard Assessment released the fourth version of CalEnviroScreen, a tool that uses environmental, health, and socioeconomic indicators to map and compare community environmental scores. In the CalEnviroScreen tool, communities that have a cumulative score in the 75th percentile or above (25.0 percent highest score census tracts) have been designated “disadvantaged communities” under Senate Bill (SB) 535. Cumulative scores are calculated using the individual scores from two groups of indicators: Pollution Burden and Population Characteristics. Pollution Burden scores exposure to negative environmental hazards, such as ozone and PM_{2.5} concentrations, drinking water contaminants, lead risk from housing, traffic impacts, and more. Population Characteristics scores the rate of negative health conditions and access to opportunities, such as asthma, cardiovascular disease, poverty, unemployment, and housing cost burden. For each indicator, as with the cumulative impact, a low score reflects positive conditions.

As shown in **Figure HE-15, CalEnviroScreen Percentiles**, the primary indicators leading to the low scores outside of city limits to the south and west, as reported by CalEnviroScreen, are pesticides, groundwater threats, hazardous waste, impaired waters, and solid waste. Since

most of this area is agricultural land, these conditions are not surprising, and measures have been taken to reduce impacts to residents of Stockton. The distribution and locations of EJ communities across Stockton, the San Joaquin Valley, and the nation are likely caused by numerous factors, including historical planning decisions, such as freeway construction that disrupted or harmed certain communities and redlining practices that resulted in disproportionate mortgage lending across the nation. In Stockton, the areas with the highest rate of environmental pollution and poverty are adjacent to major thoroughfares, including I-5 and SR-4, the Port of Stockton, and concentrated industrial uses. Cities commonly have the highest-density and intensity of uses in their core, and this aligns with areas of the greatest number of potential fair housing issues in Stockton. Within the city, the higher scores in the central and southern portions are based on both population characteristics and pollution burden ranging from the 92nd to 99th percentile for CalEnviroScreen. This area also qualifies as a disadvantaged community; there is a significant concentration of poverty, low rates of educational attainment, and a high rate of unemployment, corresponding to several census tracts designated by TCAC/HCD as Areas of High Segregation and Poverty and by HUD as R/ECAPs. As well, these areas are subject to increased exposure to pesticides, hazardous waste, and toxic waste cleanup; groundwater threats and drinking water contaminants; pollution and particulate matter from major transportation corridors, railroad yards, and airport operations; and lead in housing in older neighborhoods, depending on the location of the compromised neighborhoods. Though all of these factors may not be experienced in all neighborhoods in central and southern Stockton, they do represent a significant concern in terms of fair housing because of disproportionate exposure to environmental hazards and a concentration of vulnerable populations.

Figure HE-15: CalEnviroScreen Percentiles



Source: California Office of Environmental Health Hazard Assessment, CalEnviroScreen 4.0, 2021.

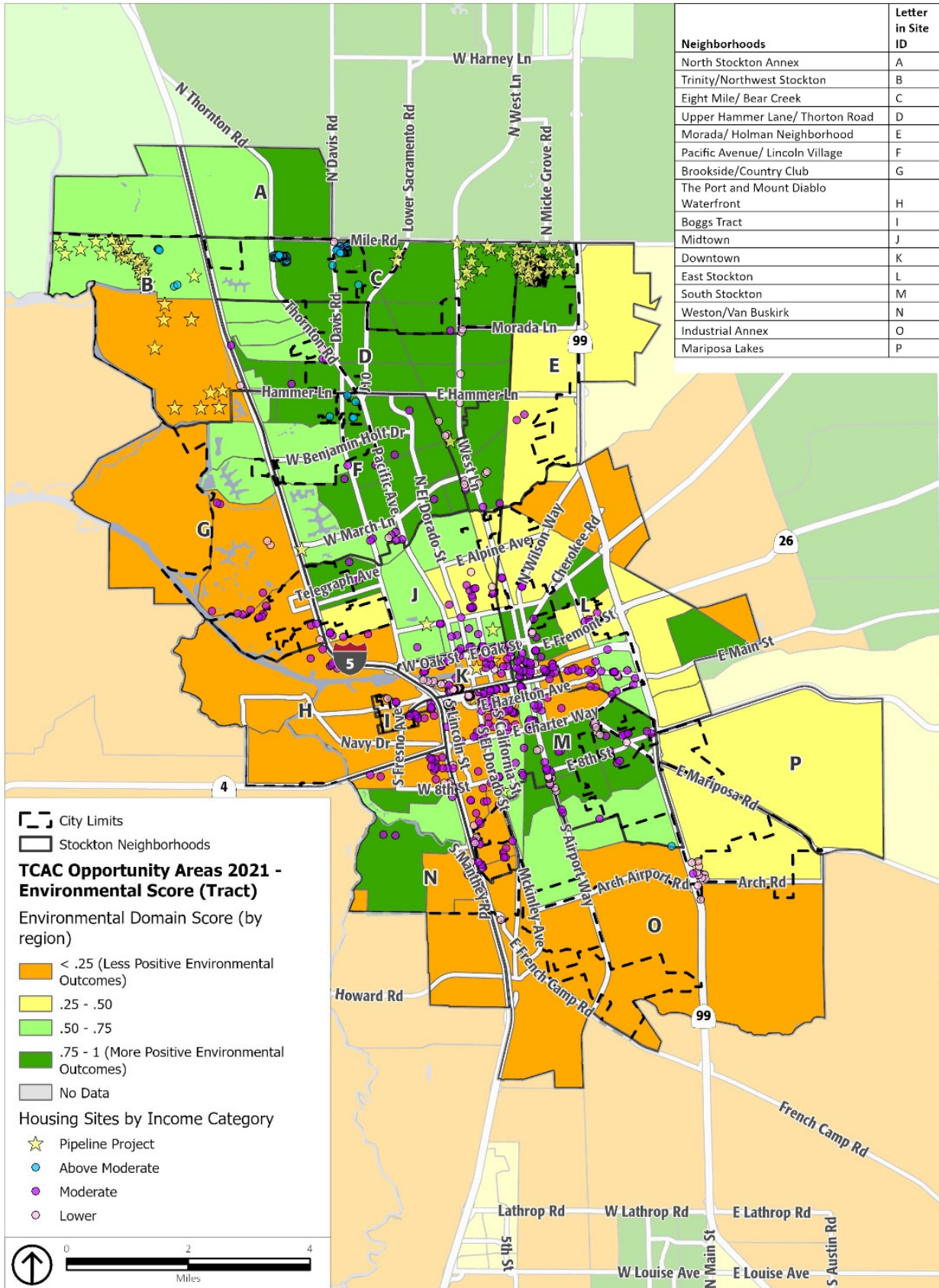
Public Review Draft, April 2023

TCAC/HCD Environmental Domain percentiles closely correspond (inversely) to CalEnviroScreen scores. According to TCAC/HCD Environmental Domain scores, the majority of the Eight Mile/Bear Creek and eastern portion of the Upper Hammer Lane/Thornton Road neighborhoods and portions of the Morada/Holman neighborhood (excepting the easternmost tracts, which also include agricultural land in the unincorporated area) have positive environmental scores ranging from the 82nd to 95th percentiles. The majority of the Weston/Van Buskirk neighborhood (Weston Ranch portion) also has high environmental domain scores in the 83rd and 88th percentiles. However, the Walter Slough area, including the Sierra Vista-Conway public housing in the center of this neighborhood, scores in the 33rd percentile. The developed portion of the Trinity/Northwest Stockton, the Brookside/Country Club (with the exception of the older Stockton Golf and Country Club villages within an unincorporated island), and western portion of the Upper Hammer Lane/Thornton Road neighborhoods as well as the central and eastern portions of the Pacific Avenue/Lincoln Village neighborhood generally have favorable environmental domain scores, between the 50th and 75th percentiles. As well, the greater part of the Midtown neighborhood has positive TCAC/HCD environmental domain scores. Lower environmental domain scores are generally found on the east side of I-5 in the Pacific Avenue/Lincoln Village neighborhood.

The area between West Elm and West Park Streets adjacent to the Greater Downtown area and the Downtown, East Stockton, Industrial Annex, and South Stockton neighborhoods have environmental domain scores that range from the 23rd percentile to below the 1st percentile in the district including the Stockton Ballpark, Stockton Arena, and Weber Point Events Center. This lowest scoring area includes the Port of Stockton along the San Joaquin River, Rough and Ready Island, downtown

Stockton, industrial and other nonresidential uses, older residential neighborhoods, and industrial areas east of the Union Pacific Railroad and south of Duck Creek, to the southern boundary of the city adjacent to the Stockton Municipal Airport. (**Figure HE-16, TCAC/HCD Environmental Domain**). The City has included Program 29 to reduce these issues.

Figure HE-16: TCAC/HCD Environmental Domain



Source: TCAC/HCD, 2021

DISPROPORTIONATE HOUSING NEED AND DISPLACEMENT RISK

OVERCROWDING

Overcrowding occurs when the number of people living in a household is greater than the home was designed to hold. The U.S. Census Bureau considers a household overcrowded when there is more than one person per room, excluding bathrooms, hallways, and kitchens, and severely overcrowded when there are more than 1.5 occupants per room. A typical home might have a total of five rooms that qualify for habitation under this definition (three bedrooms, living room, and dining room). If more than five people were living in the home, it would be considered overcrowded. Overcrowding is strongly related to household size, particularly for large households, and the availability of suitably sized housing. A small percentage of overcrowded units is not uncommon, and often includes families with children who share rooms or multi-generational households. However, high rates of overcrowding may indicate a fair housing issue resulting from situations such as two families or households occupying one unit to reduce housing costs (sometimes referred to as “doubling up”). Situations such as this may indicate a shortage of appropriately sized and affordable housing units as overcrowding is often related to the cost and availability of housing and can occur when demand in a jurisdiction or region is high.

As shown in Table HE-15, Overcrowding, in the HNA, 9.3 percent of households in Stockton are considered overcrowded, which is higher than countywide rate of 5.6 percent, and higher than the state as a whole at 8.2 percent. Of these households in Stockton, 72.0 percent are considered overcrowded, and 28.0 percent are considered severely overcrowded. In Stockton, overcrowding is more common among renters,

with renters comprising 78.7 percent of all overcrowded households. This pattern is also seen in the county and the state. Approximately 12.4 percent of renters in Stockton experience some level of overcrowding compared to 6.1 percent of homeowners, with 8.9 percent of renters overcrowded and 3.5 percent severely overcrowded; compared to 4.3 percent of homeowners in overcrowded conditions and 1.7 percent of homeowners in severely overcrowded conditions.

According to the 2014-2018 CHAS, of renters in overcrowded conditions, approximately 24.3 percent fall into the extremely low-income category, 29.2 percent are very low income, 33.4 percent are low income, and 13.0 percent are median income. The incidence of overcrowding among homeowners shows a different pattern—approximately 6.3 percent fall into the extremely low-income category, 11.5 percent are very low income, 42.4 percent are low income, and 39.9 percent are median-income, which suggests that, though some households may be able to purchase a home in Stockton, they cannot afford one that meets the size needs of the household. Overall, households experiencing overcrowding in Stockton, particularly renter households, when combined with income or accessibility challenges, may become at risk for displacement.

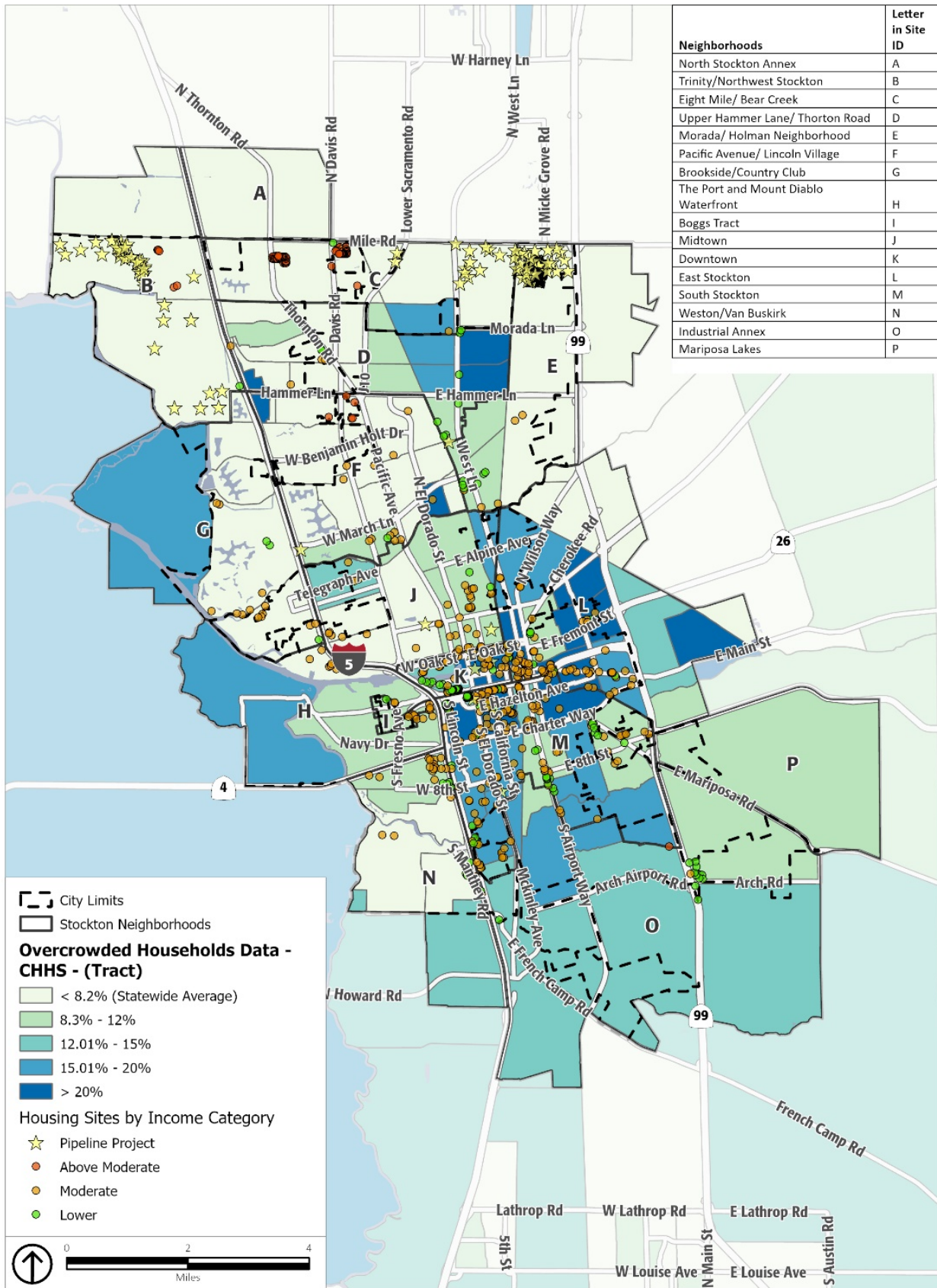
Stockton is a racially and ethnically diverse city, as discussed in the “Racial and Ethnic Characteristics” section. As discussed previously, most block groups in the southern portion of the city have non-White populations of at least 60.0 percent, though in the northern portion of the city are concentrations of census tracts with lower diversity west of Lower Sacramento Road, between Thornton Road /Pacific Avenue and I-5 (inclusive of a large unincorporated county island), west of I-5, and surrounding the University of the Pacific campus. Overcrowding often impacts lower-income households disproportionately. These

patterns are reflected geographically, with higher rates of overcrowding generally in areas with lower median incomes and/or concentrations of racial or ethnic populations (**Figure HE-17, Overcrowded Households in Stockton**). North of the Calaveras River, the majority of census tracts with overcrowding rates exceeding the state average of 8.2 percent correspond with locations of affordable housing resources, TCAC/HCD Area of High Segregation and Poverty, and R/ECAP designations. However, the relationship between diversity, proportion of non-White populations, income, tenure, and overcrowding seen in many other jurisdictions in the county—and even between the northern and southern portions of the city—is not consistently apparent in Stockton. Many of the residential subdivisions within the Upper Hammer Lane/Thornton Road and Pacific Avenue/Lincoln Village neighborhoods concentrated between the Union Pacific Railroad Fresno Subdivision line and Lower Sacramento Road/Pacific Avenue with the highest diversity indexes, low to moderate incomes, and presence of affordable housing resources are not reported as areas of significant overcrowding.

Two of the three census tracts with overcrowding rates above 20.0 percent of households—in the Upper Hammer Lane/Thornton Road neighborhood between the Union Pacific Railroad Sacramento subdivision line and the Union Pacific Railroad Fresno subdivision line from the northern boundary to East Hammer Lane—are not identified as a R/ECAP or Area of High Segregation and Poverty. They do not coincide with the location of an affordable multifamily complex and include block groups that fall in the moderate-income range for San Joaquin County. These neighborhoods consist of single-family residences, the Imperial Stockton Mobile Home Estates, Friendly Village Mobile Home Park, and Pines Mobile Estates, and a variety of multifamily residences. Both census tracts consist of a diverse mix of residents above the

diversity index 85th percentile, have predominantly Asian populations with a representation of Black and African American residents exceeding the overall citywide average, and proportions of Hispanic residents at or just below the citywide average. A stakeholder in the outreach process noted that the homeless counts among the Asian population may be underrepresented because families often share responsibility to shelter the homeless (which the stakeholder termed “couch surfing”), which can result in overcrowding. This may also be a practice among Hispanic households. Culturally, Asian and Hispanic households often tend to support extended families regardless of income level. This suggests that the tradition of sheltering homeless and extended family composition in areas with high diversity scores may contribute to rates of overcrowding above the state average in census tracts with primarily higher income levels. The differential in incomes and non-White population distribution by block groups may further assist in spatially identifying the location of households in the overall census tract experiencing higher rates of overcrowding.

Figure HE-17: Overcrowded Households in Stockton



Source: California Health and Human Services, 2021.

Public Review Draft, April 2023

The third census tract with an overall overcrowding rate of 21.2 percent is in the Dorchester residential area along I-5, comprising a block group north of Hammer Drive in the Upper Hammer Lane/Thornton Road, and a block group south of Hammer Drive within the Pacific Avenue/Lincoln Village neighborhood. Both block groups exhibit a very diverse mix of residents, with a roughly equal proportion of Hispanic households at 37.0 percent; Black and African American populations comprising 23.6 and 14.5 percent respectively above and below Hammer Lane; and Asian residents at 19.9 to 25.4 percent respectively above and below Hammer Lane. Renter households comprise 74.5 percent above Hammer Lane where higher density multifamily residential and nonresidential uses are prevalent, and 61.7 percent below Hammer Lane, which is lower density multifamily and single-family residential with limited nonresidential uses. Although the median income above Hammer Lane is \$34,500 and below Hammer Lane is \$66,563, if the pattern of overcrowding among moderate-income Asian households applies within this census tract, it is likely the overcrowded households may be more heavily concentrated south of Hammer Lane.

Areas within the Midtown neighborhood with an incidence of overcrowding above the state average are generally to the east, west, and north surrounding the University of the Pacific campus, although these tracts are primarily designated by TCAC/HCD as moderate and high resource with median incomes in the low-to moderate-income range. The higher rates may be partially attributed to students residing in the vicinity who may be doubling up in bedrooms. Within the upper East Stockton neighborhood, 16.0 percent of households report overcrowded conditions in the highly diverse El Pinal community. The tract is a mix of industrial and railroad-oriented operations—older single-family residential uses at the southern end and newer residential subdivisions

at the northern end. There are no affordable housing complexes, and the tract is designated low resource. However, potentially in relation to the newer housing stock in the northern and eastern edges of this census tract near SR-99, the median income is \$61,737, falling within the moderate-income category. Although it is difficult to identify spatially where the overcrowding is most prevalent, it may occur more frequently in the southern portion, where older housing stock conditions and typology exist and are intermixed with nonresidential uses.

The portion of the city south of East Harding Way and Cherokee Road, inclusive of the Greater Downtown neighborhoods, sees rates of overcrowding above the state average, generally corresponding with TCAC/HCD designations of Areas of High Segregation and Poverty and HUD R/ECAPs, diversity index scores above the 85th percentile, and historically redlined locales, with a few exceptions. The census tracts with rates of overcrowding exceeding 20.0 percent are in the Greater Downtown, with the highest rate (29.5 percent) in the census tract between Union Avenue and North Wilson Way in the East Stockton neighborhood, where older housing stock, originally constructed to serve the railroad industry, is mixed with industrial and other nonresidential uses. In contrast, the census tract in the Weston/Van Buskirk neighborhood corresponding to the 100 Sierra Vista Conway Homes public housing units, with a median income between \$20,104 and \$38,359, a TCAC/HCD Area of High Segregation and Poverty designation, 71.9 percent of the residents are renters, and both Asian and Black or African American proportions exceeding the citywide average, has an overcrowding rate of only 4.6 percent, similar to the other tracts in this geographic neighborhood with Moderate and Low resource designations. The availability of 30 three-bedroom and 18 four-bedroom units in the public housing development may be a factor in the low overcrowding rate in this tract.

Public Review Draft, April 2023

While some households reported as overcrowded may have chosen to double up inhabitants in one room, and therefore the condition may not be based on inability to find and secure adequate housing, severe overcrowding, particularly among the lower-income households in Stockton, may indicate a more significant potential for displacement. Most noteworthy with respect to overcrowding is the increasing number of households reporting severe overcrowding conditions, from 1.2 percent of total households in 2012 to 2.6 percent in 2020. Renter households have experienced the largest increase in severely overcrowded conditions, from 1.3 percent in 2012 to 3.5 percent in 2020. This risk of displacement applies to both owners and renters in the city, the county, and the state and is a sign that households are having difficulty finding affordable housing suitable for their size.

The availability of housing units in Stockton appropriate to house lower-income large families (five or more persons) within their affordability level may also contribute to overcrowding. The incidence of large-family households in Stockton, presented in HNA Table HE-16, Household Size by Tenure, is higher than in San Joaquin County at 21.2 percent of households compared to a countywide representation at 19.6 percent, and higher than the 13.8 percent throughout the state. In comparison to other jurisdictions in San Joaquin County, the City of Stockton is fairly similar to Tracy, the second largest city in the county, in which 20.9 percent of households have five or more persons, and in contrast with the adjacent smaller cities of Lodi to the north and Manteca to the south, with 14.2 and 18.2 percent of households, respectively, having five or more persons. In Stockton, the distribution of large households by tenure generally aligns with the overall tenure distribution of 49.9 percent homeowners and 50.1 percent renters, with 48.2 percent of large households being homeowners, and 51.8 percent renters. In comparison, 54.8 percent of large households in

the county are homeowners, and 45.2 percent are renters, and 55.4 percent of large households in the state are homeowners, and 44.6 percent are renters. This pattern of a slightly higher proportion of large-household renters and a slightly lower representation of large-household homeowners than overall tenure distribution is also found in surrounding jurisdictions in the county.

To meet the needs of large families in Stockton, 63.8 percent of the housing stock has three or more bedrooms. Approximately 66.6 percent of these larger units are owner occupied, comprising 85.2 percent of all of the homeownership stock. Of the total rental stock in Stockton, 42.5 percent of the units have three or more bedrooms, which is 33.3 percent of total larger units in the city. An October 2022 survey of rental listings in Stockton, shown in the HNA Table HE-30, Average Rental Rates 2022, indicates that the median market rate rent for a two-bedroom unit is \$1,615, a three-bedroom unit is \$2,357, and larger units are \$2,624 per month. Based on HNA Table HE-26, Ability to Pay for Housing Based on HCD Income Limits 2022, with the exception of a two-bedroom unit, a low-income household of four persons could not afford the asking rent. Therefore, while there is a large proportion of large units, lower-income households with five or more people may experience challenges in finding adequately sized units in their affordability range, which may result in overcrowded living conditions unless they are able to secure housing in one of the 56 assisted affordable complexes in the city or apply HCVs to market-rate, larger rental units.

Therefore, the City will provide incentives to developers, such as streamlined review or parking waivers, that construct affordable housing with larger units in areas of concentrated overcrowding to alleviate housing pressure on households that may be doubling up (Program 28).

OVERPAYMENT

HUD considers housing to be affordable for a household if the household spends less than 30.0 percent of its income on housing costs. A household is considered “cost burdened” if it spends more than 30.0 percent of its monthly income on housing costs, while those who spend more than 50.0 percent of their income on housing costs are considered “severely cost burdened.”

In Stockton, 20.8 percent of households are cost burdened, and 21.0 percent are severely cost burdened, so a total of 41.8 percent of total households experience some level of overpayment. When evaluating overpayment among lower-income households in the city (43.9 percent of total households), this rate of housing cost burden for lower-income households is slightly higher in Stockton, at 75.0 percent, than in San Joaquin County (72.0 percent) and California (70.0 percent). When looking at overpayment by tenure, homeowners generally experience cost burden at a lesser rate than renters across all geographies. Approximately 27.9 percent of homeowners are cost burdened compared to 54.4 percent of renters. More specifically, approximately 25.6 percent of renters overpay for housing and 28.8 percent severely overpay; compared to 15.5 percent of homeowners overpay and 12.4 percent severely overpay. Some stakeholders described that many people in Stockton resort to uninhabitable housing because they cannot afford anything better. They shared that landlords do not feel any pressure to fix units, knowing that their tenants are desperate for housing as housing costs continue to increase and housing supply is very limited. This data points to the need for more affordable housing units in Stockton to meet the needs of lower-income households.

In many circumstances, overpayment is closely tied to income, and lower-income households are most at risk of displacement due to

overpayment, as presented in Table HE-24, Housing Cost Burden by Household Income Classification, in the HNA. According to the 2014-2018 CHAS, approximately 43.9 percent of households in Stockton are lower income, of which 75.0 percent overpay for housing—30.0 percent pay between 30.0 and 50.0 percent of their income for housing, and 45.0 percent pay over 50.0 percent for housing. Further, of the cost-burdened lower-income households, 72.5 percent are renters and 27.5 percent are owners. Approximately 58.6 percent of overpaying renters are severely cost burdened, and 64.4 percent of overpaying homeowners are severely cost burdened. In contrast, of Stockton residents making more than 80.0 percent of the AMI, 13.6 percent are overpaying and 2.2 percent are severely overpaying.

As shown in HNA Table HE-24, Housing Cost Burden of Extremely Low-Income Households 2018, 14.0 percent of the population falls into the extremely low-income category (ELI), of which 82.5 percent pay over 30.0 percent of their income for housing. Of the ELI households overpaying for housing, 88.7 percent pay over 50.0 percent of their income for housing, indicating a significant shortfall of resources affordable to these households. Approximately 21.4 percent of renters in Stockton are considered extremely low-income, compared to 5.9 percent of homeowners. The majority of ELI households are severely cost burdened—74.8 percent of ELI renters and 66.4 percent of ELI homeowners pay over 50.0 percent of their income for housing. This indicates that, while lower-income renters are more likely to experience cost burden, overpayment is particularly prevalent among all ELI households.

According to the 2016-2020 ACS, most of the city reflects renter cost burdened rates between 40.0 and 60.0 percent (**Figure HE-18, Renter Overpayment in Stockton**). The contiguous areas with a concentration of households experiencing rates above 60.0

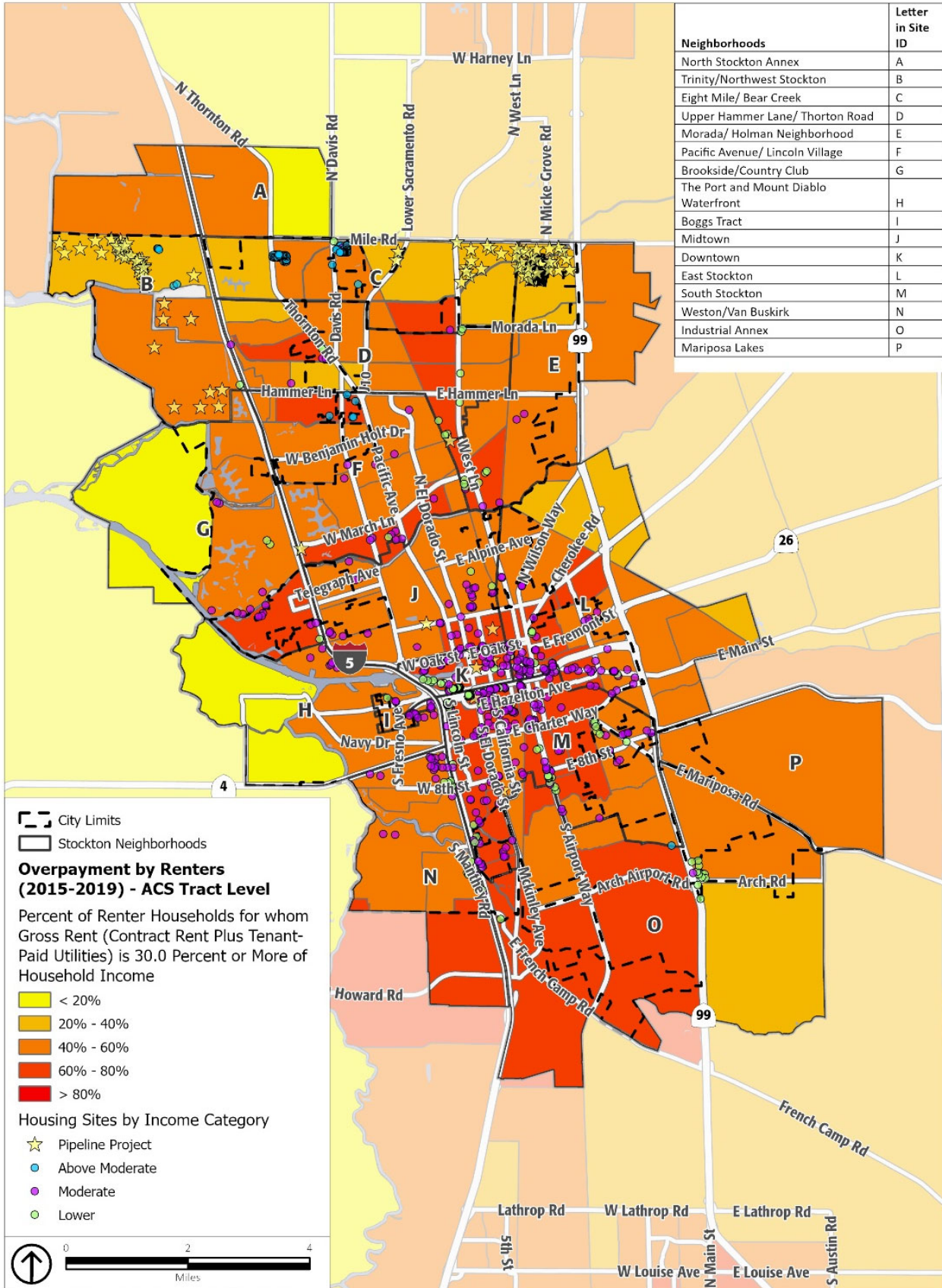
Public Review Draft, April 2023

percent are primarily found in the Midtown and East Stockton neighborhoods south of Harding Way, the Greater Downtown, and the South Stockton neighborhood, corresponding to the TCAC/HCD Areas of Segregation and Poverty and HUD R/ECAPs, and the two census tracts south of West Charter Way toward French Camp between I-5 and South El Dorado Street in the Industrial Annex neighborhood. North of the Calaveras River, in the Pacific Avenue/Lincoln Village neighborhood south of East March Lane, a lineal concentration of households experiencing rates of overpayment above 60.0 percent of renters is found from I-5 to the Union Pacific Railroad Sacramento Subdivision line. The majority of this concentration sees rates of renter households above 70.0 percent, lower-median incomes, six affordable housing complexes, and a predominantly Hispanic population, with one TCAC/HCD designation of Area of High Segregation and Poverty and identification as a HUD R/ECAP in the census tract surrounding Weberstown Park. However, likely due to proximity to Weberstown Mall, commercial uses and services along Pacific Avenue, and San Joaquin Delta College, TCAC/HCD resource opportunities in all other census tracts are designated Moderate and High.

The remaining sizeable concentration of renter households with high rates of overpayment is found along the western edge of the Morada/Holman neighborhood and Upper Hammer Lane/Thornton Road neighborhood between the Union Pacific Railroad Sacramento Subdivision line and West Lane. The area has a sizeable Hispanic presence with non-White populations above 81.0 percent, has an overall lower-income median income, contains eight affordable housing complexes, and renters represent an average of 70.0 percent of the households. The census tract south of Mosher Slough, north of East Hammer Lane, partially within the area known as Tam O'Shanter, including the 315 affordable units at Polo Run Family Apartments and 184 affordable

Hampton Square Apartments, is 88.0 percent renter occupied and is designated by TCAC/HCD as an Area of High Segregation and a HUD R/ECAP. However, with the exception of this Area of High Segregation and Poverty, all of the census tracts in these neighborhoods have Moderate resource opportunity designations. The northernmost census tract in the area south of Morada Lane in the upper Tam O'Shanter area, however, has socioeconomic characteristics that do not consistently align with the other census tracts with high proportions of overpaying renters. The median income in the upper block groups of the Morada/Holman neighborhood fall within the moderate-income range, and unlike the other census tracts with high rates of non-White populations, Asian residents are the predominant population at 37.5 percent of the households, followed by Hispanic residents at 33.0 percent, with Black and African American, and White non-Hispanic roughly around 12.5 percent each. Over 60.0 percent of the residents are homeowners, and with the exception of a few blocks of triplex units along West Lane, this area consists entirely of single-family detached units. Therefore, the renters in this tract are likely overpaying for single-family rental properties.

Figure HE-18: Renter Overpayment in Stockton



Source: 2015-2019 ACS

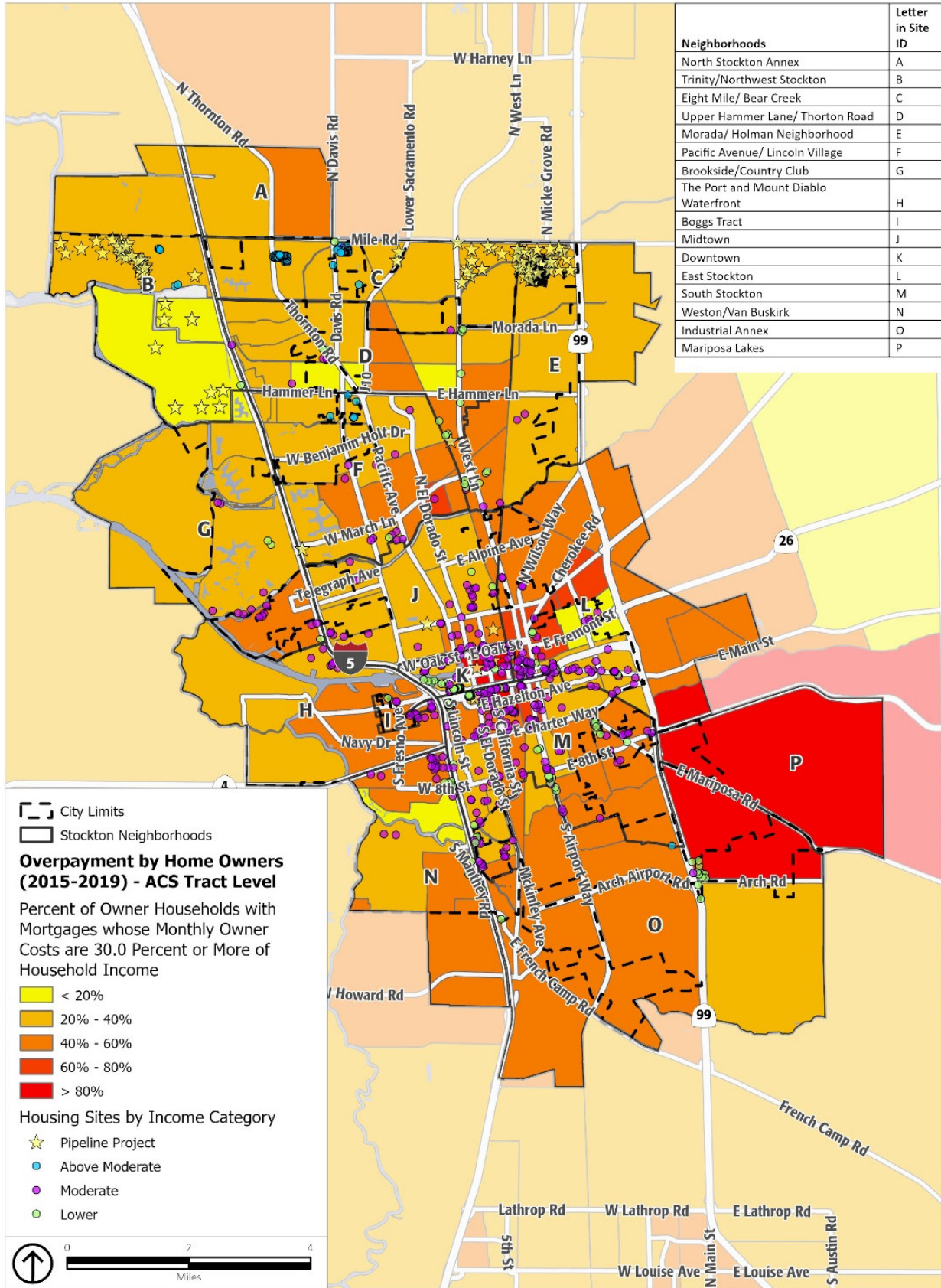
In contrast to renter overpayment, homeowners generally experience cost burden at a lesser rate. The highest rates of homeowner overpayment north of the Calaveras River generally align with high rates of renter overpayment, high rates of overcrowding, or both conditions. Homeowner overpayment rates between 40.0 to 60.0 percent are found south of Mosher Slough between the Union Pacific Railroad Sacramento Subdivision line and the Union Pacific Railroad Fresno Subdivision line and in a concentration of census tracts of residential stock generally built prior to 1980 on both sides of Pacific Avenue between West Swain Road and West March Lane/Calaveras River, inclusive of San Joaquin Delta College, Sherwood Mall, and a range of commercial and service uses. There is one census tract in this cluster designated as an Area of High Segregation and Poverty and a R/ECAP in which 74.3 percent of homeowners overpay for housing. However, 85.3 percent of the households within this census tract are renters, and therefore, 10.8 percent of total households in this census tract are homeowners who overpay for housing. Two additional census tracts within the Upper Hammer Lane/Thornton Road neighborhood between Lower Sacramento Road and the Union Pacific Railroad Sacramento Subdivision line north of Hammer Lane, known as the Ponce de Leon area, have rates of homeowner overpayment between 43.5 and 45.5 percent (**Figure HE-19, Homeowner Overpayment in Stockton**). Renter households comprise 64.5 and 53.7 percent of the residents in these census tracts, respectively, and although non-White population ranges between roughly 75.0 percent and 82.5 percent, this area is quite diverse, and although the predominant population in each block group is Hispanic, representation is below the city average, and proportions of Asian and Black populations are higher than the citywide average. The median income is just above the threshold between low and moderate income, although 24.0 percent of the population in the upper tract has incomes below the poverty line.

South of the Calaveras River, areas with higher concentrations of homeowners overpaying for housing (40.0 to 60.0 percent) generally include the El Pinal community in the East Stockton neighborhood and the Greater Downtown area encompassing the southern edge of the Midtown neighborhood, Downtown, and Homestead area of South Stockton north of SR-4, most of which correspond to a TCAC/HCD Area of High Segregation and Poverty and HUD R/ECAP. However, while it appears that a high proportion of homeowners in the lower Midtown and Downtown census tracts are overpaying, the proportion of homeowners in these tracts range from 2.0 to 11.0 percent of total households, and therefore the percentage of homeowners overpaying for housing is in actuality only between 0.4 percent and 17.4 percent of total households. Areas in the South Stockton neighborhood south of SR-4 and East Stockton neighborhood Fair Oaks area, including those TCAC/HCD designated as Areas of High Segregation and Poverty and HUD R/ECAPs, generally consist of renter households, with the highest incidence of homeowners overpaying for housing between 26.8 and 48.1 percent. The lower homeowner overpayment rate in the South Stockton and Industrial Annex neighborhoods may be partially attributed to housing type and condition, as the majority of units were constructed over 50 years ago, and historical property listings survey on Realtor.com, accessed December 2022, reveals that homes on the market 10 years ago in these neighborhoods were, on average, listed at 12.0 percent of current prices. The lower homeowner overpayment rate might be partially attributed to the presence of longtime residents in these neighborhoods who were able to purchase a home years ago at significantly lower prices than in the current market, (and generally current monthly housing costs would be based on this lower purchase price and tax valuation), and therefore would not be overpaying for their housing, assuming their income level has remained fairly stable. However, lower listing prices for these older units may provide an

Public Review Draft, April 2023

affordable opportunity for new residents desiring to purchase a home in these neighborhoods and would be within their ability to pay. As well, these neighborhoods are identified as experiencing varying levels of gentrification (see “Risk of Displacement” section), which suggests that higher-income households or real estate investors are purchasing these lower priced properties and rehabilitating them, which would also contribute to lower levels of overpayment.

Figure HE-19: Homeowner Overpayment in Stockton



Source: 2015-2019 ACS

Special-needs groups that may be disproportionately affected by high housing costs include large families, single-parent households, and seniors. As discussed in the “Overcrowding” section, large-family households often face special housing challenges due to a lack of adequately sized affordable housing. The higher costs required for homes with multiple bedrooms can result in larger families experiencing a disproportionate cost burden and increase the risk of housing insecurity. While overpayment rates for single-parent households are not available, the ACS reports that 28.9 percent of female-headed, single-parent households are below the poverty threshold. Therefore, these households may have an increased rate of overpayment. Seniors, comprising 21.6 percent of Stockton’s households, often face increased displacement risk due to overpayment as this population more frequently relies on fixed incomes such as retirement savings or Social Security. According to the 2016-2020 ACS, 29.5 percent of senior homeowners overpay for housing, and 64.3 percent of senior renter households overpay, constituting 40.6 percent of all senior households in Stockton.

The sudden loss of employment, a health care emergency, or a family crisis can quickly result in a heavy cost burden, with limited affordable options available in the city, putting these populations that may already be at greater risk of displacement due to overpayment or overcrowding in a situation where they may lose their place of residence and experience homelessness, even when a source of income is still available. Residents finding themselves in one of these situations may have to choose between finding unsuitable lodging within their affordability range, becoming homeless, or moving out of the region. To reduce displacement risk as a result of overpayment, the City has identified the following programs: 7, 12, 13 and 16.

HOUSING CONDITION

As discussed in the HNA, housing condition can be an indicator of quality of life. Substandard conditions present a barrier to fair housing as occupants are susceptible to health and safety risks associated with poor housing conditions and at risk of displacement if conditions make the unit uninhabitable or if property owners must vacate the property to conduct repairs. As housing units age, they deteriorate without ongoing maintenance, which can present a fair housing issue for occupants, reduce property values, and discourage private reinvestment in neighborhoods dominated by substandard conditions. Typically, housing over 30 years is more likely to need repairs or rehabilitation than newer units. As shown in the HNA, Table HE-22, Age of Housing Stock and Housing Stock Conditions by Tenure, approximately 66.8 percent of housing units in Stockton are older than 30 years and may need repairs. This is lower than for the state as a whole, where 69.2 percent of units are older than 30 years, yet higher than 61.5 percent of housing units in San Joaquin County. This need has informed the inclusion of several programs in the Housing Element, including rehabilitation assistance and relocation assistance.

In Stockton, 33.2 percent of housing units were built after 1990. Of the multifamily complexes with five or more units in Stockton, 10.0 percent were built since 2000, 28.4 percent were built between 1980 and 1999, 38.3 percent were constructed between 1960 and 1979, and 23.3 percent were constructed prior to 1960. Smaller multifamily unit types, including duplex, triplex, and fourplex units, constitute 50.6 percent of the multifamily units in the city. Only 5.7 percent of this type of unit has been constructed since 2000, and 25.5 percent were added to the housing stock between 1980 and 1999. The majority of small multiplex units were constructed between 1960 and 1979 (36.9 percent), and 33.5 percent of this type of housing stock were built prior to 1960.

Public Review Draft, April 2023

Additionally, 61.0 percent of mobile homes in Stockton were built prior to 1980, making them over 40 years old, an age that generally indicates a need for replacement or rehabilitation. Mobile homes typically deteriorate more rapidly than stick-built homes and so are more likely to need significant repairs as they age to maintain conditions. Further, these homes are often more affordable to lower-income households, and the cost of regular repairs can present a barrier to maintaining good housing condition. Therefore, the City will improve communication of rehabilitation assistance programs currently available for lower-income households, including eligible owners of mobile homes and rental property owners to alleviate substandard conditions before reaching a point of inhabitability (Program 20).

The Neighborhood Services Division of the Police Department enforces codes, laws, and regulations for the abatement of substandard housing conditions and blight issues. Code enforcement statistics from the Neighborhood Services Division provide a sense of the number of units that may need renovation, rehabilitation, or replacement in the city. As shown in the HNA, Table HE-23, Code Enforcement Cases, the Neighborhood Services Division processed 234,924 housing code enforcement cases over the past 16 years, at an average of about 14,683 cases each year. The most common housing violations are structural problems, raw sewage, exposed wiring, and other exterior housing problems.

According to the 2016-2020 ACS data, approximately 46.1 percent of households experience one or more of the following conditions: lacks complete kitchen, lacks complete plumbing, is overcrowded, or is cost burdened. While these estimates include households that are overcrowded or cost burdened but do have a complete kitchen and plumbing, it can be assumed that at least a portion are living in units without these basic

facilities, which are indicators of substandard housing conditions. ACS data estimate that 0.1 percent of homeowner households live in a unit without complete kitchen facilities, and 0.1 percent without complete plumbing. Approximately 1.1 percent of renters live in units lacking complete kitchens, and 0.3 percent without complete plumbing facilities. Due to the relatively low incidence of kitchen or plumbing problems, most of the households experiencing substandard conditions are attributed to either severe overcrowding, severe overpayment, or both. However, to help property owners make necessary repairs, particularly lower-income property owners and managers of deed-restricted housing, the City has included Program 20 to continue to promote the availability of rehabilitation assistance programs.

While the City has not had the resources to conduct a housing conditions survey in recent years, past surveys focused on three specific areas that were formerly Redevelopment Agency project areas: Midtown, South Stockton, and North Stockton. These are the areas of the city with the greatest concentrations of blighted structures and residences in need of significant rehabilitation. Based on these past surveys and a consideration of current conditions, it is estimated that there are around 4,000 housing units needing major repairs or replacement. In addition, the City is currently working on an updated survey of these areas and its results will inform future rehabilitation efforts (see Program 20).

DISPLACEMENT RISK

A combination of factors can result in increased displacement risk, particularly for lower-income households. Displacement risk increases when a household is paying more for housing than their income can support, their housing condition is unstable or unsafe, or when the household is overcrowded. As discussed under "Integration

and Segregation" and "Overpayment," there are disproportionate patterns of concentrated poverty in the city that may correlate with increased displacement risk. Other factors, besides those listed above, are vacancy rates, availability of a variety of housing options, and increasing housing prices compared to wage increases. The Urban Displacement Project, a joint research and action initiative of UC Berkeley and the University of Toronto, analyzes income patterns and housing availability to determine the gentrification displacement risk at the census tract level. For the San Joaquin County Displacement Risk Assessment (2019), the research team used the Urban Displacement Project's Bay Area model to assess census tracts in San Joaquin County for displacement risk. Using the Urban Displacement Project model as a foundation, the research team made select modifications based on best practices and stakeholder feedback. This included modifying the definition of the "region" from 13 counties to San Joaquin County alone, adjusting income parameters, and collapsing the original nine typologies into four displacement typologies specifically relevant to San Joaquin County, as follows:

- **Susceptible to and Ongoing Displacement:** These tracts are low or mixed low income, and some had an absolute loss of low-income households during the period of 2000 to 2018.
- **Varying Levels of Displacement:** These tracts have varying levels of income and housing affordability, and some tracts gentrified during 1990-2000 or 2000-2018, but all tracts experienced an increase in housing costs and/or rental value during 2012 to 2018.
- **Moderate and Mixed Income:** These tracts range from moderate to high income, and other variables are relatively stable.
- **Varying Levels of Exclusiveness:** These tracts range from moderate to high income, and housing costs are increasing. In some tracts, low-income households are

excluded from entering and decreasing in numbers.

According to the San Joaquin Displacement Study (2021) by the San Joaquin Council of Governments, Enterprise Community Partners, and UC Davis Center for Regional Change, 51.0 percent of the population in San Joaquin County falls in the Varying Levels of Exclusiveness typology. In Stockton, it is most prevalent in the northern and southern neighborhoods, including most residential areas in Trinity/Northwest Stockton, North Stockton Annex, Eight Mile/Bear Creek, upper Morada/Holman, Brookside/Country Club, lower Weston/Van Buskirk, and western residential areas along the I-5 in Midtown and Pacific Avenue/Thornton Road neighborhoods. Interview feedback during the San Joaquin Displacement Study process indicated that these communities have seen large amounts of growth in the 2000 to 2018 time period, particularly related to in-migration of households employed in Silicon Valley and in higher-earning jobs throughout the Bay Area that can now work remotely or commute.

Almost 30.0 percent of San Joaquin County households fall into tracts designated Moderate and Mixed Income. This tract typology is relatively stable, without much change in terms of household income over the data period. This typology shows up most frequently in less urbanized and less populated areas of the county that have not experienced the same type of growth occurring around the periphery of the city found in more urbanized communities such as Stockton. However, there are a few portions of Stockton that are categorized as Moderate and Mixed Income in the upper areas of Brookside/Country Club neighborhood, Upper Hammer Lane/Thornton Road neighborhood, and east of Lincoln Village in the southwestern portion of the Morada/Holman neighborhood.

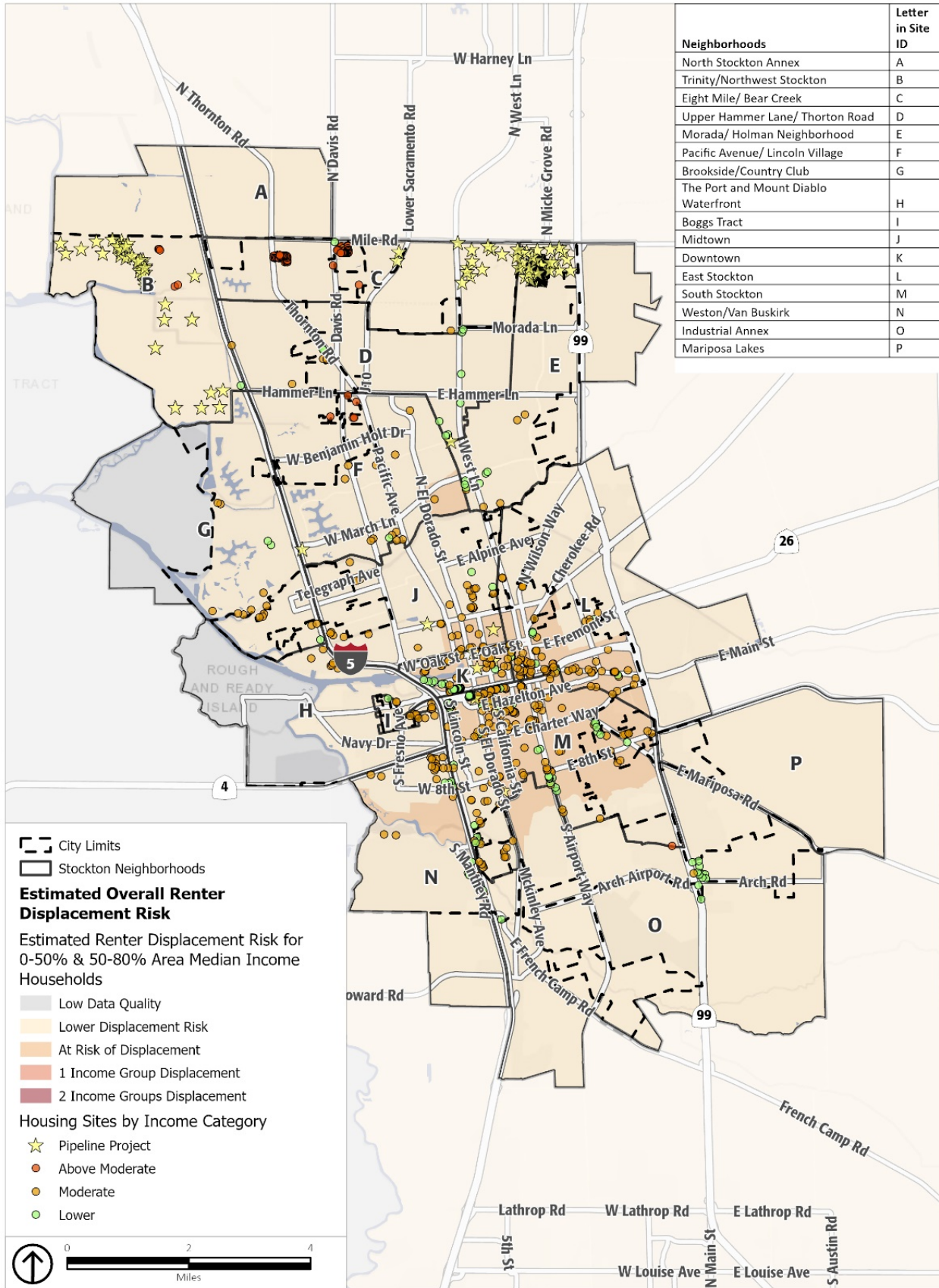
Public Review Draft, April 2023

Neighborhoods designated Susceptible To and Ongoing Displacement, and experiencing Varying Levels of Gentrification are those facing the highest risk of and potential impact from displacement. These tracts generally align with high proportions of lower-income households and concentrations of very low-income households, where the majority of households consist of populations of color, there are a high share of renter households, and high rates of renter overpayment correlating to increases in rent above the county median. The methodology also identifies areas where data indicating an absolute loss of low-income households between 2000 and 2018 correlate with relocation of households in response to increases in housing sale prices and rent costs. In Stockton, the mapping tool designates the majority of areas experiencing gentrification and those that are susceptible to displacement within the central, downtown, and south Stockton neighborhoods, including portions of Upper Hammer/Thornton Road in the vicinity of Hammer Lane/Lower Sacramento Road and the Union Pacific Fresno Subdivision Railroad; residential areas around Lincoln Village, Sherwood Mall, Stonecreek Village, Weberstown Mall, and San Joaquin Delta College in the Pacific Avenue/Lincoln Village neighborhood; southwestern residential areas in the Morada/Holman neighborhood; eastern and southern portions of the Midtown neighborhood; the central section of the Port and Mount Diablo Waterfront neighborhood; Downtown; and South Stockton. These two typologies apply to approximately 18.0 percent of households countywide, but they appear to constitute a significant portion of the city, generally corresponding to lower-income areas in Stockton with high rates of renters, renter overpayment, and non-White populations. The recent influx of relocating households from the Bay Area may be a contributing factor to rising home values and displacement of existing lower-income households in these neighborhoods, where homes and rents may be increasing beyond the ability to pay for current

lower-income residents, yet might be attractive to in-migrating populations, thus increasing potential for gentrification.

According to the AFFH Mapping Tool (ACS 2015-2019), the California Urban Displacement Project: Estimated Displacement Risk Model Overall Displacement Risk data (see **Figure HE-20, Elevated Displacement Risk**) identify the majority of the Greater Downtown, South Stockton, and East Stockton neighborhoods, all of which correlate with locations of affordable housing complexes, and the portion of the Weston/Van Buskirk neighborhood including the Sierra Vista public housing as At Risk of Displacement. As well, a block group in the Pacific Avenue/Lincoln is identified as at risk of displacement. This assessment generally corresponds to the findings of the San Joaquin Displacement Study, although at less detail some transitioning areas are overlooked.

Figure HE-20: Elevated Displacement Risk



Source: Urban Displacement Project, 2022 (HCD AFFH Data Viewer).

Public Review Draft, April 2023

Increases in home and rental prices have impacted residents throughout Stockton, though renters are typically more burdened by housing market increases in annual rent increases, compared to homeowners who have fixed-rate mortgages. As identified in the HNA, according to Redfin, as of November 2022, the median sales price in Stockton was \$420,000 for all home types. Supplementing the 2016-2020 ACS data discussed in the HNA, the Stockton Housing Action Plan Market Conditions Report, 2022, analyzed the home sale price distribution for single-family and condominium units in Stockton between November 2021 to April 2022. According to this survey, 1,705 single-family units sold in Stockton during the time period, the majority of which were three or more bedroom units. The median home price for a single-family home was reported at \$425,000, comparable to the above Redfin estimate, while the bulk of units ranged from \$300,000 to \$600,000. During this same time period, 88 condominium units sold (4.9 percent of total units sold during this period), the bulk of which were two-bedroom units, with an overall median sale price of \$195,000.

As discussed in the Stockton Housing Action Plan Market Conditions Report, 2022, based on historical Redfin market median home sale price trends for Stockton and San Joaquin County from February 2012 through April 2022, both the city and the county experienced a dramatic price increase over that period. The county's median home sale price grew by 264.0 percent, and the city's grew by 286.0 percent. However, the median for the city continues to lag below the countywide median, suggesting that Stockton may have a larger inventory of older, less costly homes. However, while the median home value in Stockton was lower than the county and state, the median home price in Stockton is still only affordable to above moderate-income households. In the HNA, Table HE-26, Ability to Pay for Housing Based on HCD Income Limits, 2022, shows that the maximum affordable price for a moderate-

income family of four is \$416,651, and for lower-income households is \$270,415. (HCD income limits are the basis for determining eligibility for affordable housing.) Purchasing a home above these limits could result in overpayment and/or overcrowding and potential risk of displacement. These maximum ability-to-pay thresholds for a three- or four-person household are significantly lower than the median home sale price for a three-bedroom single-family home. Though 2016-2020 ACS income data indicate that approximately 25.7 percent of Stockton households earn \$100,000 per year or more—which is generally considered the threshold between a moderate income and an above moderate income for a household of four, according to HCD—and would be able to afford the median priced three-bedroom home in 2022, moderate-income households would generally be limited to two-bedroom units and three-bedroom homes at the lower end of the available market listings. These prices outpace income growth, tending to put housing costs beyond the means of more households over time.

Single-family attached homes, including smaller-sized properties such condominiums, duplexes, triplexes, and quadplexes, at times function as naturally occurring affordable housing (NOAH) units for low- to moderate-income households. These market-rate units are generally older properties that may not be well maintained and command lower rents or listing prices due to the property's age and more limited upkeep. The preservation of NOAH units in multifamily properties accommodates workforce and middle-class households that may not meet housing subsidy requirements but earn an insufficient income to avoid overpaying for housing. For a low-income household, the maximum affordable home price ranges from \$216,495 for a two-person household to \$292,064 for a five-person household (Table HE-26 in HNA). Low-income households could afford a one- or two-bedroom and a limited number of three-bedroom condominium units. However, the sales listings in the Stockton

Public Review Draft, April 2023

Housing Action Plan Market Conditions Report, 2022, referencing the market listing resource List Source, indicated a constrained supply and limited availability of these affordable units.

In order to increase and promote sustainable homeownership for the full range of household incomes and needs, Stockton should focus on infill housing development to encourage development of underutilized properties and maximize the production of units in order to serve the growing number of residents and their households. Given the large number of households earning the median household income or less and facing a housing cost burden, the production of condominiums, townhomes, and other smaller ownership units, especially in more urbanized areas in infill development projects with a mix of market-rate and affordable units, could alleviate supply constraints in the housing market. More importantly, infill housing projects producing single-family attached homes are relatively affordable to low-income households in the city and would expand the opportunity for homeownership to a broader range of households.

Rent prices in Stockton have also increased significantly and present a barrier to lower-income households. Current rental market conditions based on information from CoStar Group, 2022, identified that over 85.0 percent of available rentals in early 2022 were one- and two-bedroom units. Overall, the vacancy rate of market-rate rental units for CoStar Group's inventory is 3.4 percent, which, compared to a healthy rental vacancy rate of 5.0 percent, indicates a shortage of available units. This limited availability of rental stock increases competition for units, and those that face challenges in meeting the credit check or deposit requirements could face homelessness. According to the survey, between March and June 2022, the average asking rent for multifamily market-rate units increased by over 9.0 percent, with the largest rent increase in

one- and two-bedroom units. As discussed previously in the HNA (Table HE-30 Average Rental Rates, 2022), based on the HCD income limits, the average market rate three-bedroom apartment with an average monthly rent of \$2,357 is affordable only to a moderate-income household of four or five persons (120 percent of the AMI), which is an annual household income of approximately \$102,000. The average monthly rental cost for a two-bedroom unit is \$1,615, which falls within the ability-to-pay range for a low-income household of four, requiring an average income up to \$66,200 (Housing Action Plan for the City of Stockton, 2022, indicated a required income of between \$50,000 to \$60,000, although rental data was accessed at an earlier date than the HNA date of October 2022 for Zillow inventory). Although there is limited rental stock available at lower price points, it may not be suitable to meet the size, location, mobility, access to resources, or other requirements of the household without overcrowding or overpayment. Very low-income households and households in poverty in general will experience significant challenges in securing rental housing without assistance in the current market in Stockton.

More than 58.0 percent of all renter households earn less than \$50,000, and the median renter household income is approximately \$41,000, indicating a significant existing need for below-market-rate rental housing. This suggests that roughly half of Stockton households would struggle to afford average-priced rental housing in the city. The data demonstrate that while there may be units affordable to lower income households, there is a shortfall of housing affordable to extremely low-income and very low-income households. Therefore, programs aimed at assisting households to secure below-market-rate rental housing or more affordable ownership housing options could assist existing Stockton residents as well as any new residents at lower income levels.

Though housing costs have increased rapidly, wages have not kept pace, as discussed in the HNA. In addition, recent increases in incomes could be partially attributed to the influx of households from the Bay Area with higher paying jobs. The difference in these trends (housing cost vs. wages) indicates growing unaffordability of housing in Stockton. The discrepancies between wage increases and rising housing costs that are resulting in increased displacement risk are supported by the findings of the San Joaquin County Housing Displacement Report. The report found that a shortage of housing production, rising housing costs, and the influx of residents from the Silicon Valley and Bay Area have intensified housing demand and gentrification of older neighborhoods, resulting in increased displacement risk, particularly for lower-income households.

To address affordability challenges, the City will encourage and incentivize development of affordable housing units, particularly in higher opportunity areas, and will develop a program to connect lower-income residents with affordable housing opportunities and identify funding for financial assistance for first time homebuyers (Program 10).

OTHER RELEVANT FACTORS

HISTORY OF DEVELOPMENT TRENDS

The city was established by Captain Charles Weber in 1848 with the purchase of 49,000 acres of land through a Spanish land grant and the intention to supply the Gold Rush. The City was officially incorporated soon after in 1850. Following its role as a major supply point during the Gold Rush, shipbuilding served as the primary industry in the city, and agriculture began to take a stronghold in the valley. The city's strategic location takes advantage of the navigable waterways of the San Joaquin Delta,

the rich soils, availability of water, and numerous railroad lines converging in the city and connecting it to the major distribution centers in the San Francisco Bay 90 miles to the north. The Port of Stockton officially opened as the first inland seaport, which contributed to the city's growth and identity. Following WWII, the city's economy shifted away from shipbuilding to agricultural operations, industrial operations, and product manufacturing, but it remains a major shipping point for these commodities.

The city originally developed around the waterway in the Port and Mount Diablo Waterfront neighborhood and Downtown area, which later would become the Port of Stockton. Development expanded to the north after the turn of the century into the lower portion of the current Midtown neighborhood where University of the Pacific, San Joaquin Delta College, California University-Stanislaus, and Dameron Hospital were established, and to the south in the South Stockton neighborhood in an area known as the Homestead. Both of these areas are a current resource of older residential housing stock. By the late 1960s, the city encompassed the Downtown neighborhood, which remained the central business district with Main Street as the anchor; the Midtown neighborhood in its entirety; and residential and supporting commercial uses north of the Calaveras River closely following Pacific Avenue, North El Dorado Street, and West Lane in the Pacific Avenue/Lincoln Village neighborhood, extending just north of West Hammer Lane in the Upper Hammer Lane/Thornton Road neighborhood. Though a portion of the residential areas in the Midtown neighborhood are smaller, older, single-family and small multifamily units, the portion of Midtown south of West Harding Way is also home to the Magnolia Historic Preservation District. Development had also extended into both the East Stockton neighborhood (previously called Fair Oaks) and the South Stockton neighborhood (inclusive of unincorporated county islands). Only a small

Public Review Draft, April 2023

section the southwest corner of the Brookside/Country Club neighborhood west of I-5 had been developed, most of which is unincorporated county island.

According to the 2016-2020 ACS, the number of owner-occupied and renter-occupied units is almost equivalent. The greatest period of residential growth in Stockton occurred between 1970 and 1979, during which 18.9 percent of the city's current occupied housing stock was constructed, with a predominance of multifamily unit types (21.7 percent of current renter-occupied units and 16.0 percent of the current owner-occupied units). Much of this multifamily development occurred west of the I-5 in the Lincoln West Planned Community in the northern portion of the Brookside/Country Club neighborhood as duplex and condominium complex housing typology. Vacant tracts in the central portions of the city between West Hammer and Morada Lanes in the Upper Hammer Lane/Thornton Road and Morada/Holman neighborhoods were filled in with primarily single-family and duplex housing, becoming the destination for the Asian population to relocate following the disruption to the Asian community in the 1960s from the right-of-way for the cross-town SR-4. These neighborhoods in the northeast section of the city currently have a concentration of predominantly Asian residents.

A second significant period of growth occurred in the following two decades, between 1980 and 1999, resulting in an additional 28.1 percent of the city's housing stock, although during this time period a slightly greater proportion of owner-occupied units were constructed (29.0 percent) compared to renter-occupied units (27.3 percent). Growth on the west side of I-5 occurred during this time frame, and this major transportation route functioned as a physical barrier that allowed developers to promote residential neighborhoods branded as distinctly different in character from the rest of the city. The majority of the Brookside/Country Club

neighborhood was developed as a master planned golf course community, with satellite planned-development gated communities and upscale market rate single-family units and supporting commercial space. There was a spurt of development between 2000 and 2009 in the Eight Mile/Bear Creek and Trinity/Northwest Stockton neighborhoods, the Morada/Holman neighborhood north of Morada Lane, and the Weston Ranch community in the Weston/Van Buskirk neighborhood, during which 17.4 percent of the housing stock was built, primarily owner-occupied housing (24.2 percent of owner-occupied housing stock, and 10.6 percent renter occupied-housing). Only 1.9 percent of the housing stock has been built since 2000, indicating a decline in residential growth in Stockton over the past two decades. However, there currently are a number of market rate subdivisions under construction in the northern end of Morada/Holman and northwestern corner of Trinity/Northwest (Westlake subdivision), and Eight Mile/Bear Creek neighborhood east of North Lower Sacramento Road that might not have been taken into account during the 2016-2020 ACS data period.

Like several other cities in the San Joaquin Valley, immigration and historical exclusionary practices have contributed to the various development patterns found in the city today. The Chinese were the first major group of non-European settlers in Stockton, living along Miner Street near the waterfront and later moving to East Washington Street, which became Stockton's Chinatown. The next wave of agricultural worker immigrants from Japan, the Philippines, and the Punjab province of India also faced housing discrimination and were restricted from living north of Weber Street, which was Stockton's "color line," according to the Japantown Atlas Overview Map: Stockton Japanese American Businesses of 1940 (1917 and 1951 maps). However, unlike the earlier Chinese, the Japanese and Filipino immigrants were predominantly family units and formed

Public Review Draft, April 2023

more cohesive cultural communities, expanding upon the earlier Chinatown settlement and establishing a presence from the East Weber levee south to Lafayette Street, between South Commerce and South Hunter Street.

These areas were impacted economically during the Japanese internment period, as businesses closed and homes were abandoned. With the absence of the Japanese workforce, the federal Bracero program brought in temporary Mexican workers, many of whom inhabited the vacated housing available in the evacuated China and Japan Town communities. While there were few African Americans in Stockton prior to WWII, after the war many servicemen remained in the Stockton area and filled available shipyard and growing manufacturing jobs. As the invisible Weber Avenue “color line” remained unspoken yet in effect, this new immigrant population generally established themselves in the older residential areas in South Stockton as well as in the vicinity of the Filipino, China, and Japan Town communities, close to the port and industrial areas where the jobs were. Upon return from the internment camps, the Asian community was reinstated, but many residences and businesses had been re-occupied by Bracero and African-American workers, and the concentration of non-White population expanded southward.

When the color line was lifted concurrently with the construction of cross-town connector SR-4 in 1961, much of the Asian population relocated north of the Calaveras River, with significant concentrations settling in what is currently the Morada/Holman neighborhood and Upper Hammer Lane/Thornton Road neighborhood east of West Lane. The other communities of color, including the displaced Filipino residents, remained in the vicinity of the Downtown or relocated south of the cross-town freeway in South Stockton or into East Stockton in the former Fair Oaks area.

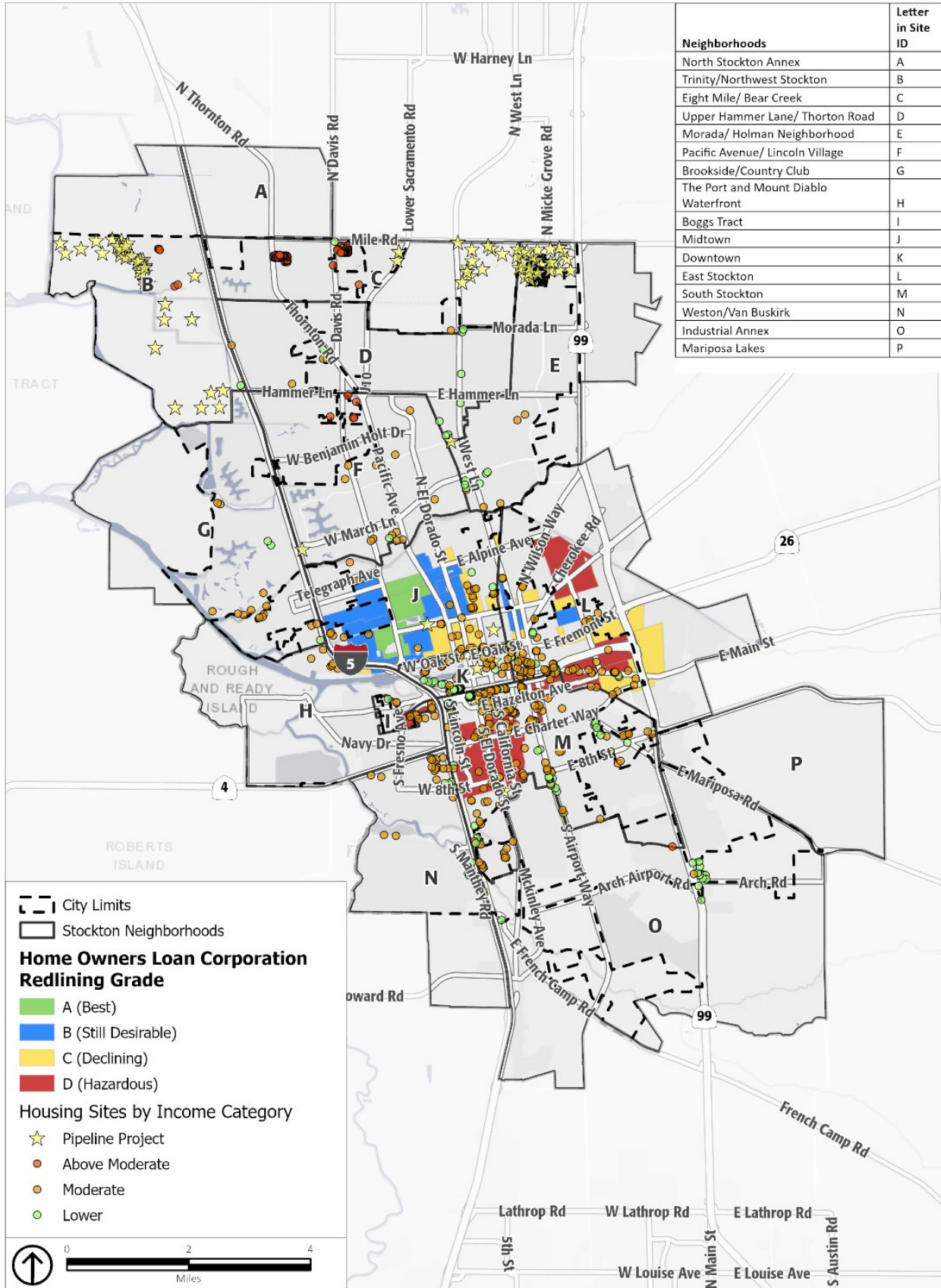
A variety of historical practices and policies resulted in past and present patterns of segregation. Some urban renewal activities contributed to the segregation of lower income communities of color in certain sections of Stockton—for example, the cross town SR-4 freeway; land use decisions to construct affordable housing complexes in existing lower-income areas, including the Greater Downtown, South Stockton, and along the circulation corridors extending northward from the Midtown neighborhood where the first residential neighborhoods across the Calaveras River were constructed; and prioritizing newer market-rate single-family developments in the more peripheral western, northern, northeastern, and southwestern edges of the city. Physical features in the city also contributed to creating spatially divided concentrations of income and racially based neighborhoods—particularly the various delta sloughs, creeks, Calaveras River, the port and scattered lake features, roadway infrastructure, and the two Union Pacific Railroad lines with associated rail yards and switching stations. Though these factors did not openly target minority groups, they may have contributed to establishing development patterns that prevented access to opportunities by lower-income households. Local, state, and federal policies have, both directly and indirectly, influenced access to services, amenities, and opportunities for lower-income and non-White households.

As well, nationwide practices of discriminatory land use policies, redlining, and mortgage lending discrimination have presented overt barriers to homeownership and housing options in general for people of color. Redlining refers to the process of delineating neighborhoods deemed “unworthy of private investment.” The Home Owners’ Loan Corporation evaluated neighborhoods based on their desirability. Investors categorized neighborhoods as “red” or “yellow” if there was said to be an “infiltration of undesirable populations” or a “lack of

homogeneity" (referring to White-only populations), which indicated a declining neighborhood. Once a neighborhood was "redlined," banks refused to grant home mortgages and loans to residents in the area. As shown in **Figure HE-21, Home Owner's Loan Corporation Redlining Grade**, Stockton had historically many red census tracts, most of which were in the South Stockton neighborhood, and yellow census tracts in the northern Greater Downtown and Midtown neighborhoods. Most of the red or yellow tracts correlate with lower-income communities, although north of SR-4 not all tracts are heavily racially or ethnically concentrated.

In order to address historical discrepancies in access to opportunities lower-income households and people of color, the City has included Program 30.

Figure HE-21: Home Owner's Loan Corporation Redlining Grade



Source: University of Richmond, 2021.

LAND USE AND ZONING PATTERNS

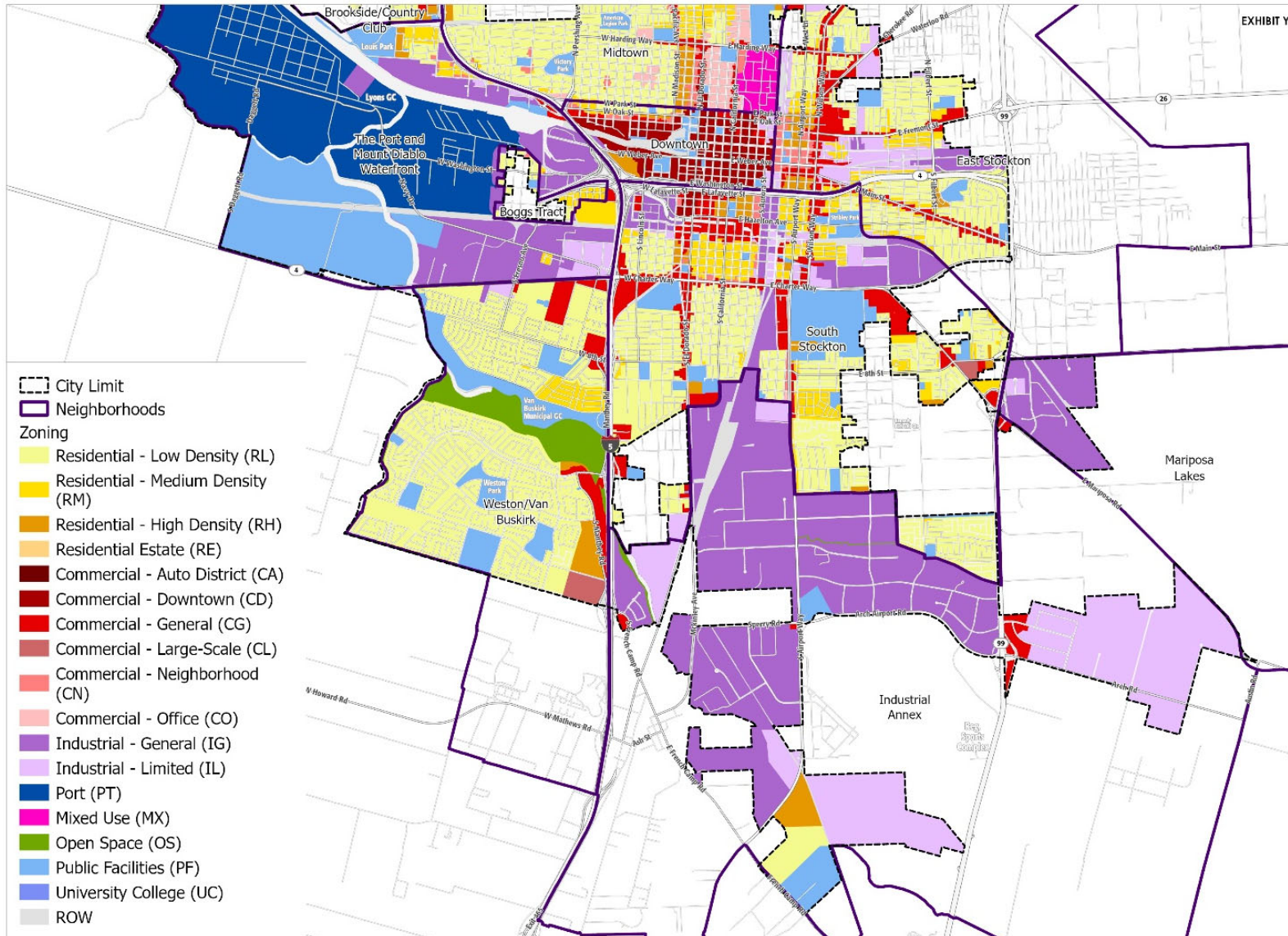
According to the 2016-2020 ACS, 73.1 percent of the housing stock in Stockton is single-family units, inclusive of single-family attached units, indicating a higher level of single-family zoning than in the city of Lodi, yet lower than in the city of Manteca and other San Joaquin County jurisdictions. However, zoning designations change over the years, and land zoned for higher density multifamily units may have been developed with lower densities (single-family or condominium). There is no direct correlation between the proportion of single family units and the percentage of land zoned for single-family residential. Duplex, triplex, and fourplex unit types make up approximately 8.1 percent of Stockton's housing units. Conversely, 17.7 percent of the housing stock consists of multifamily units in structures of five or more units, with 32.9 percent of the larger multifamily units in structures of 50 or more units. Mobile homes comprise only 1.1 percent of the housing stock, with the majority of the units in the South Stockton and East Stockton neighborhoods.

While in most communities single-family zoning can create desirable places to live, higher entry costs associated with this housing type can pose a barrier to access for low- and moderate-income households, and in turn restricting access to economic, educational, and other opportunities that are available in higher-resource communities. Stockton consists of a mix of resource designations and therefore offers varying levels of access to education, services, employment, and business resources to residents regardless of product type. As well, while almost three-quarters of the housing stock are single-family units, the split between renters and homeowners is roughly equivalent, at 50.1 and 49.9 percent, respectively, indicating that a portion of the rental housing stock is single-family units. As discussed previously, the higher resource tracts are largely concentrated in the northern part of the city. Tracts with High Segregation and Poverty designations are

clustered in Greater Downtown Stockton and correlate to the concentration of lower median household income block groups and the R/ECAPs discussed earlier. Also, most of the tracts to the south of East Harding Way are identified as either High Segregation and Poverty or Low resource. Further, while market values of homes in Stockton are generally lower than in Manteca and Lodi, and while older, smaller units may have historically provided opportunities for home ownership for lower-income households, in the current market, the average single-family home price has risen to over \$420,000. Based on data presented in the Stockton Housing Action Plan Market Conditions Report, 2022, even the average home in Stockton would likely be over most of the moderate-income households' ability to pay.

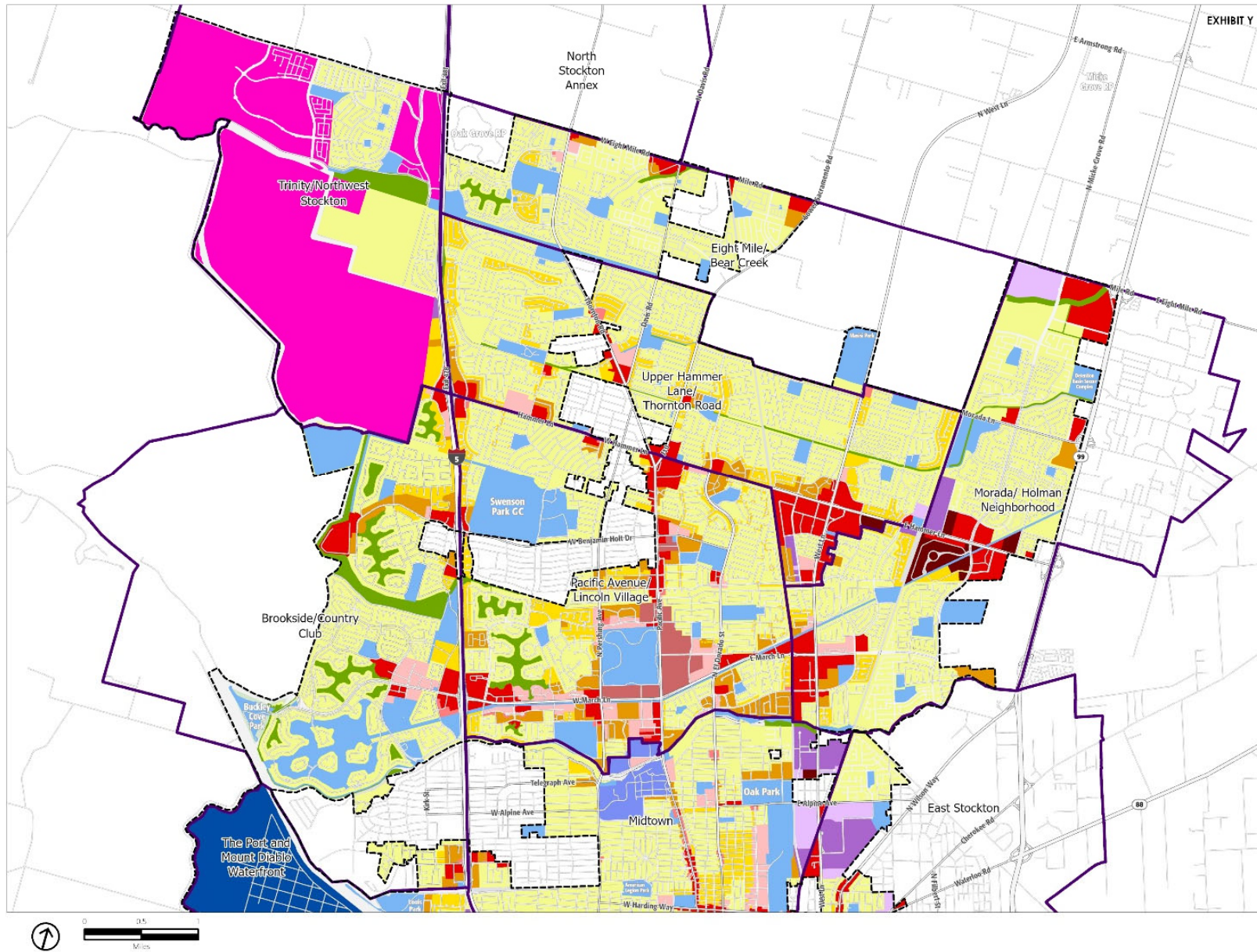
As shown on **Figure HE-22, Zoning in Stockton**, there are four base residential zones: Residential Estate (RE), Residential Low Density (RL), Residential Medium Density (RM), and Residential High Density (RH). Additionally, the Mixed-Use District (MX) is intended to apply to large properties of at least 100 acres that can accommodate a wide range of land uses. A master development plan is required for each MX zoning district to identify specific allowable land uses and development regulations. High density residential is also permitted at densities up to 136 du/ac in four of the commercial zones of the city (only in the Downtown Core area) with the intent of encouraging a mixture of high intensity uses, including high density residential. As shown on **Figure HE-22**, single family zones are predominantly in the outer and central areas of the city, with higher intensity uses along major transit corridors, adjacent to commercial nodes, in the vicinity of the three major educational campuses in the city, and Downtown.

Figure HE-22a: Zoning in Stockton (South)



Source: City of Stockton, 2023.

Figure HE-22b: Zoning in Stockton (North)



Source: City of Stockton, 2023.

Affordable housing development typically requires high-density zones to support construction; therefore, zones limited to single dwelling units on each lot do not support affordable development. In Stockton, the higher density zones permitting multifamily unit types are clustered in certain parts of the city and tend to correlate to the timeline of growth in the city and the advent of Housing Element RHNA requirements, although the zoning depicted by **Figure HE-22, Zoning in Stockton**, has been updated to reflect recent zone changes to allow multifamily in more areas of the city. North of the Calaveras River, the highest-density multifamily zones are interspersed within planned developments, master planned developments, and specific planned areas west of I-5 in the Brookside/Country Club and Trinity/Northwest neighborhoods; in the Quail Lakes Planned Development in the Pacific Avenue/Lincoln Village neighborhood; and adjacent to General Commercial uses along the major arterials in the Eight Mile/Bear Creek and Morada/Holman neighborhoods that have been more recently developed or are in planning/entitlement stages. The above-described high-density zones correspond with higher-income block groups and higher TCAC/HCD designations. In the developed Brookside Country Club and Quail Lake gated and golf course communities, the higher density enclaves were included as high-end market rate condominium and rental complexes, offering housing mobility opportunities primarily to higher-income households. However, the larger tracts identified along the developing periphery of the city will foster housing mobility opportunities for lower-income households into higher resource areas.

Additional high-density zones north of the Calaveras River are found in the central Pacific Avenue/Lincoln Village neighborhood in the vicinity of the Sherwood Mall, Weberstown Mall, and between March Lane and the Calaveras River, and along major arterials in the lower

portion of the Morada/Holman and Upper Hammer Lane/Thornton Road neighborhoods. This distribution is consistent with a pattern of multifamily housing primarily in Low and Moderate resource areas, corresponding to affordable assisted multifamily complexes, predominantly Hispanic populations, and concentrations of lower-income households. The data suggest that the multifamily housing in the more mature portions of the city north of the Calaveras River, which tend to be more affordable, is limited to areas with other factors that result in a lower quality of life.

High-density zoning is also found in the Downtown, radiating out from the Greater Downtown area into the four neighborhoods surrounding Downtown, also consistent with the pattern higher-density housing types primarily in Low and Moderate resource areas and corresponding to affordable assisted multifamily complexes, predominantly Hispanic populations, and concentrations of lower-income households in the more historically developed portions of the city. Revitalization efforts are focusing on providing mixed-income housing mobility opportunities to meet the needs of current residents at risk of displacement and foster integration of higher-income households to support the improvement of the TCAC/HCD resource designation. Sizeable tracts of vacant and recently developed high-density zoning are identified in the southern end of the Weston/Van Buskirk neighborhood as part of the Weston Ranch Planned Development, designated Low resource.

PUBLIC AND PRIVATE INVESTMENT PATTERNS

Public and private investment typically includes construction, maintenance, and improvements to public facilities, including infrastructure, acquisition of land, and major equipment. Historically, investment by the City has been prioritized based on need and available

Public Review Draft, April 2023

funding, which has prevented disinvestment in any particular area of the city.

The City's current prioritization process for capital improvement funding includes an initial review of projects that considers fiscal consequences; health and safety effects; community economic effects; feasibility; implications of deferring the project; amount of uncertainty and risk; and environmental, aesthetic, and social effects. The following are projects the City has recently completed or is currently constructing:

- **Roadway Improvements.** To improve connectivity to public transit at the Cabral Station, Miner Avenue street improvements were completed between Center Street and Aurora Street. The project included reduction in the number of vehicle travel lanes from two lanes to one lane in each direction with buffered bicycle lanes; construction of a traffic-calming roundabout; and signal, lighting, and median landscape improvements. To reduce congestion and improve mobility and safety for vehicles, bikes, and pedestrians, the City is replacing a four-way stop at Lincoln Street and Eighth Street by constructing a roundabout and reducing traffic lanes at the intersection.
 - **Roadway Improvements: Weston Ranch Crossings.** To increase safety for pedestrians and bicyclists at nine crossing locations in Weston Ranch, improvements included combinations of flashing beacons; high-visibility crosswalks; signage; curb ramps; and other changes along the curbs, gutters, and sidewalks, depending on traffic and pedestrian needs at each crossing.
 - **Sidewalk, Curb, Median, and Gutter Repair.** To foster revitalization in the downtown and environs, the project removes and replaces concrete sidewalks, curbs, and gutters that have been damaged by tree roots at various locations citywide. To maintain safety and roadway conditions
- along major arterial roadways, the City will complete the reconstruction of the median along two major sections of Pacific Avenue between Hammer Lane and the Calaveras River Bridge.
- **ADA Upgrades.** To improve safety and accessibility throughout the city, all sidewalk and roadway circulation projects include bringing infrastructure up to ADA standards.
 - **City Hall Renovations and Relocation.** To better serve the residents of the city and consolidate the various departments currently in various buildings downtown, the New City Hall Renovations and Relocation project site is at 501 and 509 W. Weber Ave., at the northwest corner of Weber Ave. and Lincoln St. The project will renovate two 5-story buildings and includes both on- and off-site improvements. When completed, the majority of City departments currently in various buildings will relocate to the renovated buildings.
 - **Public Recreation Facilities.** To provide quality public recreation amenities to all residents, the City will complete a total renovation of 22.3-acre McKinley Park, the largest municipal park in South Stockton. To provide quality recreation and community services for all residents, the City has begun construction of the future multifunction Northeast Stockton Library and Community Center at 1461 Morada Lane next to McNair High School, at the corner of West Lane and Ronald McNair Way.
 - **Bicycle and Trails Improvements.** To broaden the city's bicycling network and encourage more to utilize nonvehicular transportation, the City is introducing the Central Stockton Road Diet Project. The plan includes placing new markings and stripes and creating Class II bike lanes on several streets in central Stockton, with the goal to provide a low-stress bicycling alternative to Harding Way. To promote safer, healthier travel options, the March Lane Bike Path project will improve the bicycle and pedestrian path, providing a

wider cross-section. Improvements will be made midblock and at intersections, with gap closures and enhanced connections to adjacent uses. To support sustainable mobility and growth and ensure the next phase of bicycle infrastructure can be funded and implemented, the City is updating its Bicycle Master Plan

- **Alexandria Culvert.** The City of Stockton is working to replace the culvert at Alexandria Place and Five Mile Slough to improve public safety and reduce potential flooding impact.
- **Safe Routes to School.** The City will continue to fund and work with the following schools: John Marshall Elementary, Taylor Elementary, Pittman Elementary, Roosevelt Elementary, McKinley Elementary, and George W. Bush Elementary to implement improvements and promote Safe Routes to School in an effort to improve access to school and safety for children and parents.

Priority for projects is based on what will result in the greatest community benefit, mitigate existing issues, and address public demand and need. The City is focusing on creating more public facilities, public safety, and recreational amenities for residents; expanding the capacity of the water, sewer, and roadway infrastructure network; and preparing for expansion of the city's development of industrial, commercial, and residential uses. There has not been any disproportionate investment or disinvestment in a particular area of the city over the past several decades. In addition, the City will continue to implement Program 4 to address future projects that address community needs. The annual CIP provides funding for new facilities to handle expanding growth and targets the central older core of the city with roadway improvements, parks improvements, and general maintenance as well as infrastructure rehabilitation throughout the city.

LOCAL KNOWLEDGE

The City has undertaken a number of Downtown revitalization projects over the past two decades to refocus attention on its historical significance, promote higher-density opportunities, and maximize the Port of Stockton amenities, including: Robert J. Cabral Train Station, Stockton Arena and Banner Island Ballpark waterfront recreation amenities, City Centre Cinema, ACE Train Station, University Plaza Waterfront Hotel mixed-use project, Weber Point Events Center, historic Hotel Stockton restoration, and the San Joaquin County Courthouse. Strengthening the core Downtown neighborhood is envisioned as an impetus to foster revitalization and infrastructure investment throughout surrounding neighborhoods, as well as along the major transportation routes and commercial corridors. In addition, an overview of significant development projects and plans that have shaped the growth and character of the city, contributed to place-based revitalization, and fostered residential opportunities, some of which are currently on-going and are a source of sites included in the identified unit capacity to meet the RHNA, provides context for the policies and programs developed to further fair housing.

Neighborhood Action Plans

Neighborhood Action Plans are being developed for the South Airport Way Corridor, Little Manila/Gleason Park, and Cabral/East Cabral. Planning efforts will focus on eliminating barriers to housing construction and will result in recommended actions and strategies for each of the three Neighborhood Areas.

The South Airport Way Corridor, Little Manila/Gleason Park, and Cabral/East Cabral are three catalytic areas that can benefit from additional planning efforts. There have been two planning studies for the Robert J. Cabral Station Neighborhood—A Plan for Revitalizing East Downtown Stockton, 2005 and a 2008

update. A portion of the Cabral/East Cabral Neighborhood Area is in the planning area of the San Joaquin Regional Rail Commission. This planning area encourages future transit-oriented housing to complement the expansion of rail services. A Gleason Park Neighborhood Master Revitalization Strategy was completed in 1999. The neighborhoods are in the 2040 Envision Stockton General Plan “Preferred Scenario” for corridors, where “exemplifying sites in need of investment to fuel positive change” includes “the eastern part of Downtown and South Stockton.”

In 2020, the California Strategic Growth Council awarded a \$10,834,490 Transformative Climate Communities (TCC) Grant to the City. This grant includes multiple partners and projects to reduce greenhouse gas emissions, strengthen the local economy, and improve public health for communities in the South Stockton area. Most of the Neighborhood Areas fall within the TCC project area.

All three Neighborhood Areas are in the South Stockton Promise Zone, where federal and local partners collaborate to boost economic activity, improve educational opportunities, reduce crime, and leverage private investment to improve the quality of life in these areas. The three Neighborhood Areas are also part of a Stockton Opportunity Zone, a program that offers tax-incentive programs for investment in low-income communities through a Qualified Opportunity Fund. HCD Opportunity Maps display all three Neighborhood Areas as Low resource areas. Resources can include access to adequate infrastructure, employment, and housing.

Regional Smart Growth TOD Plan

The Regional Smart Growth TOD Plan aims to shape future growth throughout San Joaquin County to put the region on a path to environmental sustainability by promoting TOD and infill development. The City's revitalization programs, General Plan policies and actions, and Cabral/East Cabral Neighborhood Plan facilitate objectives of this plan.

The City continues to process applications for residential subdivisions and projects throughout the city, annexing parcels at the periphery of the city that have potential for affordable housing development in commercial mixed-use and high-density residential zoning, completing Downtown improvements that foster high-density mixed-income residential projects, and promoting opportunities for affordable housing throughout the city. The total number and the share of multifamily unit permits as a proportion of total permits has increased in recent years. In 2021, over one-third of the city's residential building permits were for units in multifamily structures, indicating a shift toward construction of smaller units in multifamily developments.

ENFORCEMENT AND OUTREACH CAPACITY

COMPLIANCE WITH FAIR HOUSING LAWS

Fair housing laws at the federal, state, and local level protect certain characteristics from housing discrimination. These protected characteristics include race, color, national origin, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, ancestry, veteran or military status, source of income, genetic information, familial status, and disability. Fair housing laws in practice may be tenant protections, immigration rights, and other protective laws as required by the jurisdiction. Stockton enforces and complies with fair housing laws and

Public Review Draft, April 2023

regulation through a multifaceted process—regular review of City programs and impediments to fair housing choice, compliance with state and federal law, and referral of fair housing complaints to San Joaquin Fair Housing.

In addition, the City demonstrates compliance or intention to comply with fair housing laws through the following:

- The City currently allows projects to take advantage of density bonuses and incentives and concessions in compliance with Density Bonus Law (Government Code, Sections 65915 to 65918.) The City has included Program 15 to update the density bonus ordinance to be consistent with recent State law as needed.
- The City has identified a surplus of sites available to meet the County's RHNA allocation which complies with the No-Net-Loss (Government Code Section 65863). In total, the city's surplus unit capacity is 10,905, composed of 1,354 lower-income units, 1,858 moderate-income units, and 7,693 above moderate-income units.
- Emergency shelters are allowed in the Residential High-Density, Commercial Office, Commercial General, Commercial Downtown, and Industrial Limited districts with a Commission Use Permit. The development code does not impose any further restrictions or requirements. The City also allows emergency shelters "by right" (i.e., without a commission use permit or other discretionary approval) in the Industrial Limited (IL), Industrial General (IG), and Public Facilities (PF) districts.
- The City currently complies with state law regarding SB 35 (Government Code Section 65913.4) although it does not have a written process established for processing projects under SB 35. To further demonstrate compliance, the City has included Program 17 to establish a process that specifies the SB 35 streamlining approval process and standards for eligible

projects. The established procedure will aid in minimizing the review time required for development processes and, in turn, reduce costs to developers, which may increase housing production in the city.

- The City will continue to comply with SB 330 (Government Code Section 65589.5), relying on regulations in the law for processing preliminary applications for housing development projects, conducting no more than five hearings for housing projects that comply with objective general plan and development standards, and making a decision on a residential project within 90 days after certification of an environmental impact report or 60 days after adoption of a mitigated negative declaration or an environment impact report for an affordable housing project.

FAIR HOUSING COMPLAINTS

As part of enforcement efforts, Stockton residents are served by multiple fair housing service providers, including San Joaquin Fair Housing Association and the Housing Authority of San Joaquin County. The Housing Authority refers tenants to the San Joaquin Fair Housing Association on their website. The San Joaquin Fair Housing Association provides housing counseling services, tenant/landlord services, conducts fair housing investigations, and operates periodic fair housing audits throughout the county. As well, they maintain an inventory of affordable housing resources developed by Visionary Home Builders, assist with financial education and navigating the homebuying process, provide rental counseling and resident services, including job search, teen center, digital literacy program, and other services for residents of Visionary Home Builders' affordable communities.

Fair housing providers identified that concentrations of low-income and non-English speaking populations are particularly vulnerable to displacement, isolation, and

discrimination because they have more limited resources when securing housing. Fear of retaliation is a common complaint among tenants with limited resources at their disposal. The experiences reported by fair housing providers, though not isolated to Stockton residents, indicate a need for greater tenant protections; assistance with finding and securing housing; and education for landlords, property managers, and tenants regarding fair housing rights and responsibilities. The City currently contracts with San Joaquin Fair Housing Association for fair housing services and will meet with their staff to implement strategies to improve conditions for low-income, immigrant, and linguistically isolated populations. Actions will include audits of housing providers for discriminatory behavior, multilingual community workshops, and education to increase awareness of available services (Program 28).

During consultations, San Joaquin Fair Housing Association staff asserted that the lack of affordable housing is one of the greatest problems its clients face, and that the largest number of discrimination cases are related to disability. This includes failure to meet reasonable accommodation requests or unit repairs. Lower-income residents are more likely to be burdened by unhealthy or unsafe housing conditions than higher-income residents due to the shortage of affordable housing in Stockton. The City's goal of producing more affordable housing for residents with special housing needs, including people with disabilities and low-income families, will help address this need (Programs 23, 24, 25). The City will also pursue funding to provide low-income community members with financial assistance for repairs and accessibility improvements (Program 14).

HUD's Office of Fair Housing and Equal Opportunity (FHEO) reported that 106 cases were filed by residents of Stockton between January 2013 and April 2021. Several complaints alleged discrimination on multiple bases. Of

these cases, the majority of cases were closed following no-cause determinations or were withdrawn. Of the nine cases showed cause, the most common allegation was discrimination on the basis of disability (six) and race (three), with two citing familial status, one national origin, and one based on sexual orientation. The City has identified Program 28 to ensure residents and housing providers are aware of fair housing laws, rights, and requirements as well as resources available to residents should they experience discrimination. Program 28 also calls for the City to work with local and regional fair housing providers to facilitate training for housing providers to prevent discriminatory actions and behaviors.

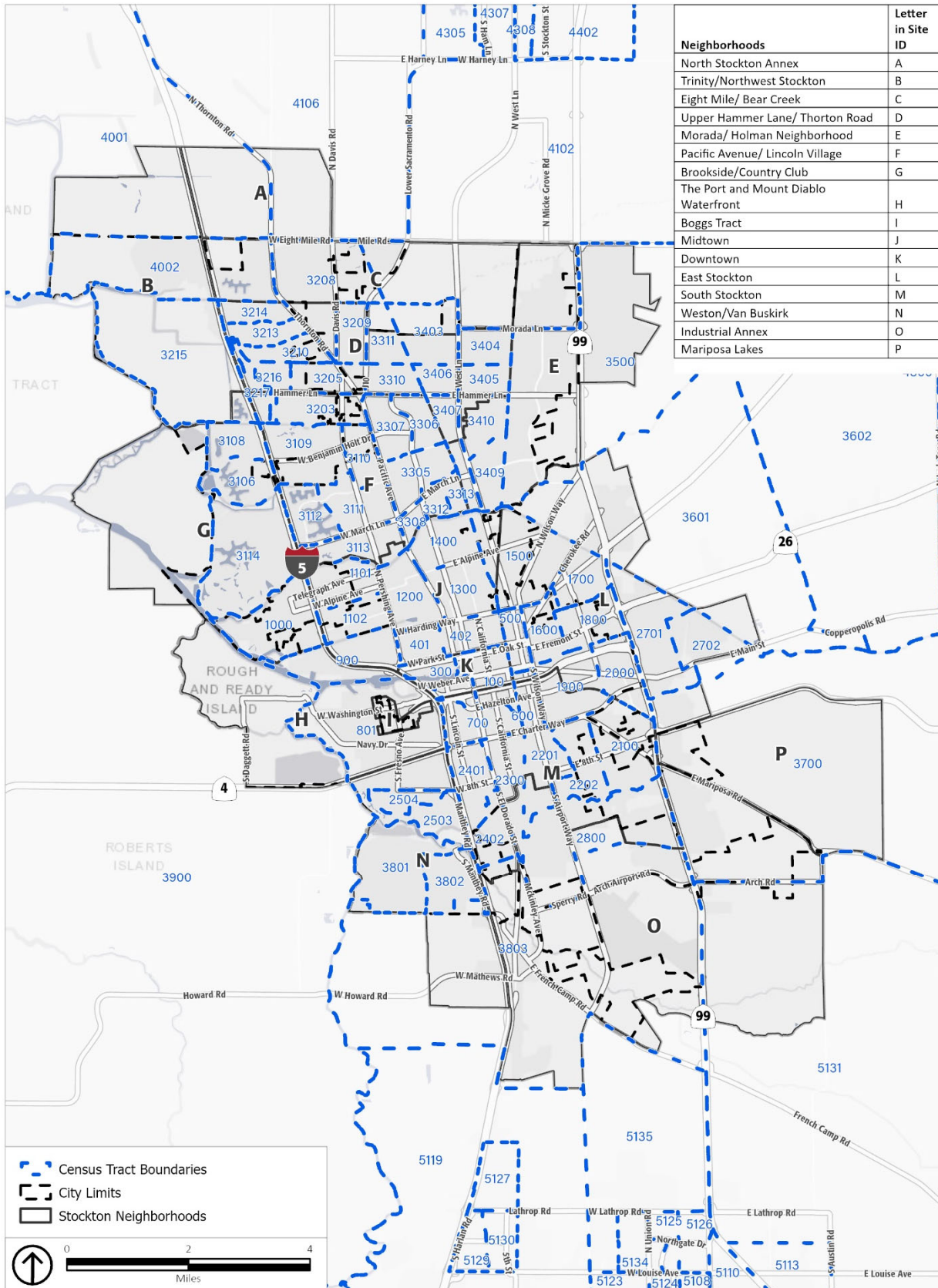
SITES INVENTORY ANALYSIS

The location of housing in relation to resources and opportunities is integral to addressing disparities in housing needs and opportunity and to fostering inclusive communities where all residents have access to opportunity. This is particularly important for lower-income households. Government Code Section 65583(c)(10)(A) added a new requirement for housing elements to analyze the location of lower-income sites in relation to areas of high opportunity. As discussed throughout this Assessment of Fair Housing, TCAC and HCD have designated a large proportion of Stockton as low resource and Areas of High Segregation and Poverty in the central and southern portions of the city. High and Highest Resource designations are found within the western, northern and eastern census tracts, as well as segments of Pacific Avenue/Lincoln Village and Midtown neighborhoods. Moderate resource tracts are centrally located, interspersed in the Upper Hammer Lane and East Thornton neighborhood, western and southern portions of the Morada Holman neighborhood, Midtown, and in the southern portion of the city, in the Weston Ranch neighborhood.

Figure HE-23, Census Tracts in Stockton and **Table HE-49**, Distribution of RHNA Capacity by Census Tract present the unit capacity by census tracts in the city, and the existing conditions of each tract as they relate to indicators of fair housing.

This distribution of sites has been identified based on available land that is suitably zoned for residential development. **Table HE-49** presents how the distribution of sites by income will help to combat existing fair housing issues in Stockton through facilitation of mixed-income neighborhoods, providing opportunities for additional housing opportunities in the higher resource areas, thus reducing concentrations of affluence and promoting housing mobility, and providing additional housing opportunities in areas that will reduce displacement risk resulting from overpayment and overcrowding.

Figure HE-23: Stockton Census Tracts



Source: City of Stockton, 2022; US Census Bureau, 2019; ESRI, 2022; PlaceWorks, 2023

Table HE-49 Distribution of RHNA Capacity by Census Tract

CENSUS TRACT	EXISTING HOUSEHOLDS	RHNA CAPACITY			AFFH INDICATORS													
		LOW	MODERATE	ABOVE MODERATE	INTEGRATION AND SEGREGATION					R/ECAP STATUS	ACCESS TO OPPORTUNITY			DISPLACEMENT RISK				
					MEDIAN INCOME	POVERTY RATE	LOW- TO MODERATE-INCOME POPULATION	NON-WHITE POPULATION	DISABILITY RATE		RESOURCE DESIGNATION	JOBS PROXIMITY INDEX	CALENVIRO SCREEN PERCENTILE	OVER-CROWDING RATE	RENTER OVERPAYMENT RATE	HOMEOWNER OVERPAYMENT RATE	% RENTER HOUSEHOLDS	
100		747	445		\$16,269	47.2%	94.0%	86.3%	31.1%	Yes	High Segregation and Poverty	96	99.9	24.8%	62.5%	100.0%	98.1%	
300		1169	302		\$19,200	37.7%	65.4%	85.6%	25.1%	Yes	High Segregation and Poverty	95	99.7	14.5%	66.2%	25.6%	91.0%	
401			5		\$55,197	12.4%	36.6%	61.1%	20.8%	no	High Resource	93	77.9	5.1%	56.9%	22.7%	58.6%	
402			110	359	\$22,584	33.9%	72.1%	77.1%	19.6%	Yes	High Segregation and Poverty	98	91.6	9.9%	66.2%	49.7%	89.0%	
500		105	173		\$24,700	35.0%	82.4%	84.8%	18.0%	Yes	High Segregation and Poverty	94	86.7	29.5%	63.1%	70.6%	74.1%	
600		155			\$27,396	29.9%	55.7%	93.8%	16.9%	yes	High Segregation and Poverty	84	94.4	14.1%	69.8%	62.5%	83.4%	
700		278	198		\$32,836	37.6%	53.2%	91.9%	25.4%	yes	High Segregation and Poverty	89	99.9	24.6%	61.8%	41.2%	62.3%	
801		268	782		\$60,160	17.4%	56.3%	96.2%	7.7%	no	Low Resource	82	99.4	11.2%	49.0%	42.9%	51.0%	
900		76			\$48,113	28.7%	55.6%	79.4%	11.4%	no	High Segregation and Poverty	58 to 73	97.3	7.0%	59.6%	28.5%	56.8%	
1000		59	92		\$52,965	16.1%	34.7%	68.1%	12.6%	no	Moderate	59 to 64	85.2	3.6%	61.8%	45.5%	47.0%	
1101			7		\$55,958	13.9%	35.6%	64.9%	22.5%	no	Low Resource	86	63.9	12.6%	47.3%	30.1%	44.2%	
1102			11		\$51,630	20.3%	55.7%	65.6%	7.4%	no	Low Resource	67	60.1	2.1%	45.3%	26.8%	50.4%	
1200			4	18	\$74,571	11.5%	55.6%	45.0%	8.6%	no	High Resource	94	29.6	3.7%	42.3%	23.6%	36.2%	
1300		182	44		\$51,507	12.0%	58.7%	72.2%	12.0%	no	High Resource	92 to 95	71	9.0%	50.8%	20.7%	48.8%	
1500			9		\$48,726	17.8%	59.3%	85.7%	13.2%	no	Moderate Resource	81 to 88	90	16.0%	55.1%	47.1%	45.0%	
1600		95	13		\$35,479	27.8%	45.3%	76.0%	18.7%	no	Low Resource	88	86.6	9.1%	61.8%	64.4%	64.6%	
1800		52	61		\$49,450	21.3%	67.1%	83.0%	15.7%	no	Low Resource	66	94	20.4%	48.6%	13.7%	59.8%	
1900		18	63		\$31,066	33.2%	61.5%	93.9%	11.2%	yes	High Segregation and Poverty	62 to 81	96.7	23.5%	73.0%	37.0%	66.7%	
2000		9	27		\$26,987	36.3%	71.3%	92.1%	16.5%	no	High Segregation and Poverty	49 to 59	97.2	16.0%	59.8%	36.0%	59.7%	
2100		341	153		\$40,544	22.7%	70.0%	97.7%	11.1%	no	Low Resource	42	87.8	11.7%	60.0%	45.8%	40.3%	
2201		71	45		\$29,020	41.1%	71.9%	97.2%	12.9%	yes	High Segregation and Poverty	53 to 56	97.1	8.6%	60.2%	35.9%	52.8%	
2202		33			\$38,141	31.5%	65.7%	97.1%	12.9%	yes	High Segregation and Poverty	50	80.8	18.8%	60.6%	48.1%	58.7%	
2300		28	50	104	\$39,423	25.5%	68.6%	96.8%	16.6%	yes	High Segregation and Poverty	53 to 71	97.2	17.7%	56.1%	44.9%	70.3%	
2401		60	76		\$41,587	31.8%	68.0%	92.1%	13.7%	yes	High Segregation and Poverty	52 to 72	96.3	18.6%	63.3%	24.9%	54.2%	
2402		141	62		\$32,317	26.2%	63.6%	95.6%	21.4%	no	Low Resource	45 to 54	97	18.0%	66.0%	26.3%	45.9%	
2503			16		\$25,179	43.5%	63.1%	90.7%	21.3%	no	High Segregation and Poverty	36	86.8	4.6%	44.0%	12.3%	71.9%	
28			78	2	\$54,082	13.5%	53.7%	91.6%	10.2%	no	Low Resource	57 to 61	88.4	16.2%	49.9%	47.3%	34.9%	
3109			10		\$66,025	9.3%	33.8%	62.8%	16.9%	no	Highest Resource	79	76.2	4.0%	55.7%	32.1%	47.0%	
311			1		\$50,893	21.8%	56.6%	64.4%	13.2%	no	High Resource	80	71.5	5.3%	54.7%	22.8%	77.0%	
3111			1		\$44,000	11.2%	46.3%	71.3%	22.8%	no	High Resource	87	72.3	1.9%	58.4%	46.1%	73.7%	

Public Review Draft, April 2023

CENSUS TRACT	EXISTING HOUSEHOLDS	RHNA CAPACITY			AFFH INDICATORS												
		LOW	MODERATE	ABOVE MODERATE	INTEGRATION AND SEGREGATION					R/ECAP STATUS	ACCESS TO OPPORTUNITY			DISPLACEMENT RISK			
					MEDIAN INCOME	POVERTY RATE	LOW- TO MODERATE-INCOME POPULATION	NON-WHITE POPULATION	DISABILITY RATE		RESOURCE DESIGNATION	JOBS PROXIMITY INDEX	CALENVIRO SCREEN PERCENTILE	OVER-CROWDING RATE	RENTER OVERPAYMENT RATE	HOMEOWNER OVERPAYMENT RATE	% RENTER HOUSE-HOLDS
3113		201	35		\$36,839	26.7%	67.9%	79.9%	11.9%	no	High Segregation and Poverty	92	89.8	9.5%	64.5%	24.7%	81.5%
3114		55	10		\$105,766	3.5%	11.6%	52.9%	9.1%	no	Highest Resource	64 to 76	30.8	0.6%	56.8%	31.8%	29.9%
3203			11		\$73,628	5.9%	29.0%	45.2%	14.9%	no	High Resource	40	62.7	0.0%	70.8%	26.1%	28.3%
3205		6			\$73,700	16.1%	31.8%	61.0%	12.4%	no	Moderate Resource	16	59.3	5.4%	39.0%	19.2%	37.0%
3208		29	1	98	\$99,975	5.9%	26.5%	76.8%	10.6%	no	Highest Resource	2	49.8	5.9%	46.5%	22.2%	34.3%
321		34	92		\$78,375	6.4%	20.1%	63.1%	19.5%	no	Moderate Resource	6	44.4	1.2%	74.4%	24.3%	40.2%
3213				6	\$54,032	20.2%	38.7%	67.3%	23.3%	no	Moderate Resource	4	59.9	11.1%	51.9%	36.7%	42.4%
3215		9	77	7226	\$70,060	13.6%	28.6%	65.0%	11.3%	no	High Resource	8 to 12	48.5	2.2%	40.1%	19.9%	70.8%
3217			3		\$43,720	29.6%	63.7%	86.0%	14.2%	no	High Segregation and Poverty	10	67.4	21.2%	60.0%	22.3%	77.9%
3306			14		\$52,946	15.9%	60.8%	82.9%	11.8%	no	Low Resource	54	70.2	7.6%	49.3%	30.5%	56.5%
3307			2		\$42,939	21.1%	63.0%	77.2%	16.5%	yes	High Resource	74	73.5	5.8%	57.3%	33.4%	75.9%
3312			3		\$30,729	41.9%	85.2%	91.1%	13.2%	yes	High Segregation and Poverty	81	68.7	21.8%	60.9%	74.3%	85.3%
3403			94		\$60,592	25.4%	40.2%	86.8%	16.5%	no	Moderate Resource	7	69.4	16.2%	70.5%	29.0%	40.2%
3404		39			\$42,056	20.4%	62.5%	84.0%	15.7%	no	Moderate Resource	17	61.7	22.6%	50.1%	39.4%	50.3%
3405		10			\$54,268	21.7%	59.8%	89.6%	14.8%	no	Low Resource	32	74.6	24.4%	58.0%	41.3%	56.3%
3407		196	10	31	\$36,200	27.2%	78.7%	82.2%	14.0%	no	Moderate Resource	50 to 73	74.5	9.2%	64.8%	44.8%	69.3%
3409		92	10		\$39,527	20.6%	57.2%	86.8%	12.7%	no	High Resource	63	68.2	10.7%	66.4%	55.8%	51.1%
341		8			\$59,738	12.4%	45.7%	89.7%	11.8%	no	Moderate	50	62.5	10.9%	54.8%	45.5%	55.0%
35			151		\$93,529	8.3%	32.4%	76.4%	10.5%	no	High Resource	45	69.4	6.2%	42.8%	29.4%	26.3%
37		369	5		\$38,710	27.7%	52.9%	79.5%	19.6%	no	Low Resource	95	93.6	9.8%	43.7%	88.0%	43.2%
3801			3		\$67,094	13.5%	31.2%	90.4%	11.3%	no	Moderate	15	72.8	3.1%	46.7%	38.4%	37.7%
3802		273	193		\$74,861	9.7%	28.0%	87.9%	12.3%	no	Low Resource	22 to 26	94.4	3.8%	54.3%	44.4%	43.1%
3803		34	20		\$53,250	11.2%	44.7%	82.3%	11.6%	no	Low Resource	83	99.2	13.2%	64.0%	41.9%	50.2%
4002		216		3881	\$101,319	4.8%	22.8%	60.4%	8.2%	no	Highest Resource	13	45.4	4.2%	38.5%	33.6%	31.7%
4102		32		2035	\$91,364	8.1%	26.0%	77.2%	10.7%	no	Highest Resource	16	71.8	5.4%	28.3%	34.2%	19.9%
5131		18			\$69,864	22.9%	36.1%	56.7%	19.3%	no	Low Resource	64	93.5	12.4%	30.9%	38.2%	37.8%

Public Review Draft, April 2023

The City of Stockton includes 174 census tracts. Of these tracts, 56 include viable and available land for residential development that have unit capacity identified to meet and exceed the RHNA. While sites within 26 of the tracts included in Table HE-X are distributed within only one income category; 22 tracts include both lower- and moderate-income unit capacity; 2 include a mix of moderate- and above moderate-income units, 2 include a mix of lower- and above moderate-income unit capacity; and 4 identify a mix of all affordability levels (tracts 2300, 3407, 3215, and 3208). The identified unit capacity in all tracts are anticipated to be incorporated into neighborhoods with existing infrastructure and capacity to support development.

The largest proportion of the unit capacity is identified in tract 3215 in the Trinity/Northwest neighborhood of the city, including 32.2 percent of total unit capacity, comprised of 56.1 percent of the above moderate-income units within the Sanctuary and Delta Cove pipeline projects and 1.9 percent of the moderate-income units within the Delta Cove pipeline project. A few lower-income units have been identified outside of the pipeline projects in the vicinity of the Hammer Road interchange with I-5; although this comprises less than one percent of lower-income unit capacity it does provide a housing mobility opportunity in a Highest Resource area. This tract has a current median income at \$70,060, a poverty rate of 13.6 percent which is roughly equivalent to the citywide average, and although the majority of the site is vacant, 70.8 percent of current residents are renters, of which 40.1 percent are cost burdened. This tract has a non-White population of 65.0 percent, below the citywide average, with almost equivalent proportions of White non-Hispanic, Asian and Hispanic residents. The introduction of predominantly above moderate-income units into this high resource area of the city will provide housing mobility opportunities for existing and future residents and facilitate a more mixed-income

neighborhood, as well as provide additional housing opportunities for moderate-income households, all having access to commercial and service uses and for commuters, direct access to I-5.

Two additional tracts along the northern perimeter of the city include a sizeable distribution (27.1 percent) of the total unit capacity. Tract 4002 in Trinity/Northwest Stockton identifies 18.0 percent of the total units, including 28.1 percent of total above moderate-income unit capacity within the Crystal Bay (9.3 percent), Westlake at Spanos Park (18.1 percent), and Trinity Parkway Apartments (0.7 percent) pipeline projects and 5.4 percent of moderate-income unit capacity within the above three pipeline projects, supporting an income-integrated neighborhood. Tract 4102 is encompassed within the Eight Mile/Bear Creek and Morada/Holman neighborhoods east of I-5 at the northern edge of the city, containing 9.1 percent of the total unit capacity within the Tra Vigne, Cannery Row, and Elderberry residential pipeline projects, accounting for 14.8 percent of above moderate-income unit capacity, and 0.8 percent of moderate-income unit capacity. Both tracts are designated as highest resource, with high incomes, low rates of poverty, and non-White populations below the city average. These tracts are primarily developed with single-family units, with renter rates between 31.7 and 19.9 percent, and rates of cost burdened renters and homeowners between 20.0 and 40.0 percent. Similar to tract 3215, the introduction of predominantly above moderate-income units into this high resource area of the city will provide housing mobility opportunities for existing and future higher-income residents, as well as provide additional housing opportunities for moderate-income households, with access for commuters via I-5 and SR 99. Although there is no lower-income unit capacity identified within these three tracts contributing 59.3 percent of the total unit capacity, the City is determining the potential

Public Review Draft, April 2023

for requiring affordable units as part of future development agreements when initiating discussions with applicant.

Approximately 16.3 percent of the units are distributed between two adjacent tracts in the Downtown/South Stockton neighborhoods (tract 100 with 5.2 percent of total units, and tract 300 with 6.4 percent of total units) and tract 801 (4.6 percent of total units) located in the Port and Mt. Diablo Waterfront/Boggs neighborhood. The largest quantity of lower-income unit capacity (23.1 percent) is identified in tract 300, co-located with 7.5 percent of the moderate-income unit capacity. Another 14.9 percent of the lower-income unit capacity is identified in tract 100, co-located with 11.1 percent of moderate-income unit capacity, including three lower-income pipeline projects (Grand View Village, Hunter House Apartments, and La Passeggiata Affordable Housing) contributing 5.8 percent of the lower-income unit capacity in the tract. The Cabral Station Neighborhood Plan and the Little Manila/Gleason Park Neighborhood Plan areas are encompassed within tract 100, which is a contributing factor for the extent of unit capacity identified in this tract, and many of the identified sites correspond to the plans' designations of priority sites, focus sites, and opportunity sites. Both tracts are considered R/ECAPS in a High Segregation and Poverty resource designation; have the lowest incomes in the city; an average 40.0 percent rate of poverty; a high concentration of populations of color; over 91.0 percent renter households of which over 62.5 percent are cost burdened; the highest disability rate in the city; and between 14.5 and 24.8 percent of households are overcrowded. As well, the tracts are within the CalEnviroScreen 99th percentile, considered a disadvantaged community based on environmental, pollution burden, and socioeconomic conditions. The City aims to reduce displacement risk and homelessness for households with these additional housing opportunity sites targeting lower-income

households, and the integration of 18.6 percent of moderate-income unit capacity will aid in creating a more mixed-income neighborhood to reduce the concentration of households in poverty while providing housing mobility opportunities with access to transit and employment resources.

The highest proportion of moderate-income housing mobility opportunities (19.4 percent) are found in tract 801 in the Port and Mt. Diablo Waterfront/Boggs and upper Weston Ranch/Van Buskirk neighborhoods west/southwest of Downtown, which has a prevalence of industrial and warehouse/distribution facilities, and scattered residential areas, yet available vacant land resources, and transportation mobility access on I-5, Route 4, and East Charter Way. While the population in this tract is heavily non-White at 96.2 percent, the median income is \$60,160 with a 17.4 percent poverty rate, the renter to homeowner ratio is equal, with the rate of cost burdened households between 42.9 percent for homeowner and 49.0 percent for renters, and an overcrowding rate of 11.2 percent of households. The largest moderate-income unit capacity is identified on two sites (13.7 percent of total moderate-income unit capacity) within the Port and Mount Diablo Waterfront neighborhood, representing 52.6 percent of the total unit capacity within the tract, and 70.6 percent of total moderate-income unit capacity in the tract. The remainder of the moderate-income unit capacity within the tract is identified in the northwest corner of the Weston/Van Buskirk neighborhood along the West Charter Way corridor, and co-located with lower-income sites (comprising 5.3 percent of lower-income unit potential) within the northeast corner of the Weston Ranch/Van Buskirk neighborhood to foster additional lower-income housing mobility opportunities outside of a high segregation and poverty designation, and further the reduction of concentrated poverty in the Downtown neighborhood. While the CalEnviroScreen percentile score is high,

likely due to the port and industrial uses in the area, proximity to employment opportunities which may correlate with education and skill sets of the population is a positive factor in this neighborhood.

Additional lower-income unit capacity (10.7 percent) is distributed in the greater Downtown/South and East Stockton neighborhoods in tracts 500, 600, and 700, with 9.2 percent of moderate-income unit capacity distributed within tracts 500 and 700. These tracts are designated High Segregation and Poverty and are also considered a R/ECAP, with low median incomes, high rates of poverty and concentrations of populations of color. These tracts are comprised predominantly of renter households, of which over 60.0 percent are cost burdened, and homeowners are also cost burdened, with between 41.2 to 70.6 percent overpaying for housing; reflected in high rates of overcrowding. Although the job proximity index is high, similar to the other tracts in the Downtown neighborhood, these tracts are considered a CalEnviroScreen disadvantaged community, and the risk of displacement for many residents is high. While these tracts include affordable housing stock, the high rates of overpayment suggest a shortage of affordable rental resources. The inclusion of lower-income capacity will expand the housing stock to help to reduce existing overpayment and overcrowding conditions contributing toward risk of displacement, and the inclusion of moderate-income units in tracts 500 and 700 will aid in creating a more mixed-income neighborhood to reduce the concentration of lower-income households, foster place-based revitalization and stimulate improvement of economic outcome and educational attainment performance.

In the Midtown neighborhood, there are five tracts (401, 402, 900, 1200, and 1300), that include 3.5 percent of the units, with potential for 5.1 percent of low-income unit capacity, 4.1 percent of moderate-income unit capacity,

and 2.7 percent of above moderate-income unit capacity, including University Park and Harding Apartments pipeline projects, and two lower-income sites in the vicinity of California Street and the San Joaquin Catholic Cemeteries. Tracts 401, and 402 adjacent to Downtown, as well as tract 900 west of Pershing Avenue (and bisected by I-5) are designated high segregation and poverty, with tracts 1200 and 1300 designated high resource. While tract 402 reflects conditions more aligned with the adjacent Downtown, with a median income of \$22,584, a poverty rate of 33.9 percent, is considered a R/ECAP, and comprised almost entirely of renter households, of which 66.0 percent are cost burdened; the other tracts have moderate-incomes and lower poverty rates, and a more equal tenure distribution, although over 40.0 percent of renter households are cost burdened in all tracts. The inclusion of University Park pipeline project in Tract 402, with a mix of 2.7 percent of moderate-income unit capacity, and 2.6 percent of above moderate-income unit capacity will aid in creating a more mixed-income neighborhood to reduce the concentration of lower-income households in the tract and provide housing mobility opportunities for moderate- and above moderate-income households. As well, sites in tract 1300 with unit capacity for lower-income households fosters housing mobility and mixed-income opportunities in higher resource areas, and unit capacity in both tracts 900 and 1300 contribute toward providing additional housing stock toward de-concentration of lower-income households in the Downtown.

Outside of the greater Downtown, 26.8 percent of lower-income unit capacity and 16.2 percent of moderate-income unit capacity is identified in the South Stockton, East Stockton, and Industrial Annex neighborhoods. These neighborhoods generally have low median incomes, high rates of poverty, a proportion of renter households above 40.0 percent, non-White populations comprising over 90.0 percent of the residents and similar socioeconomic

Public Review Draft, April 2023

conditions associated with other tracts in the city designated High Segregation and Poverty as well as those considered R/ECAPs. However, tracts 3803 and 5131 in southern portion of the Industrial Annex neighborhood have a Low Resource designation, median incomes in the moderate range, lower renter to homeowner ratios, and lower rates of cost burdened households, although residential development is more rural in nature and scattered in clusters among industrial uses and undeveloped land. The majority of development potential is identified in adjacent tracts 2100 and 2201 in South Stockton along the major South Airport Way and East Charter Way corridors, with 2.7 percent of the total units, including 7.6 percent of the lower-income unit capacity and 4.9 percent of moderate-income unit capacity. The inclusion of the Mobile Homes on El Dorado pipeline project in tract 2300 introduces above-moderate-income units in a mixed-income project into the neighborhood to foster income integration. The inclusion of lower-income units here provide lower-income housing mobility opportunities and will help to reduce existing overpayment rates (which are more moderate compared to the greater Downtown), and concentration of poverty in the greater Downtown, therefore reducing displacement risk, and the inclusion of moderate- and limited above moderate-income units will advance housing mobility and income-integration with access to industrial employment centers and the airport.

Remaining site capacity (5.8 percent of units) is identified in the tracts north of the Calaveras River, including 13.3 percent of lower-income unit capacity, and 10.9 percent of moderate-income unit capacity. Lower-income unit capacity is generally identified on sites along the West Lane, West March Lane, and Thornton Road corridors to maximize access to commercial, services, medical and public transit resources. The northern central neighborhoods are characterized by low to moderate median incomes, although tracts

3500, 3114 and 3208 have incomes in the above moderate-income category in the eastern Morada/Holman and western Upper Hammer Lane/Thornton Road neighborhoods. Site potential for larger lower-income projects is identified in tract 3407 in the Upper Hammer Lane/Thornton Road neighborhood, providing 3.9 percent of the total lower-income unit capacity (29.3 percent of the lower-income unit capacity within the northern central neighborhoods), with the potential sites co-located with moderate- and above moderate-income unit capacity for income integrated development. An additional 1.8 percent of the lower-income unit capacity is identified within tract 3409 in the lower Morada/Holman neighborhood and 1.1 percent in tract 3114 along March Lane, co-located with moderate-income units to facilitate income integration and provide housing mobility opportunities in a higher-income and higher resource neighborhood. Another node of mixed lower- and moderate-income unit capacity (.6 percent of lower-income and 2.3 percent of moderate-income unit capacity) is identified in tract 3210 at the junction of Thornton and Davis Roads.

Within the Upper Hammer Lane/Thornton Road neighborhood, a mix of unit potential at all income levels has been identified in tract 3208 in a highest resource neighborhood which fosters income integration housing mobility opportunities at all income levels. Tract 3208 has one of the highest median incomes and lowest poverty rates in the city, a primarily homeowner tenure, and moderate rates of renters experiencing a cost burden in comparison to the city average. Although less than one percent of the lower-income unit capacity is identified in this tract, it does provide housing mobility opportunities in a higher resource area while contributing towards a reduction in the concentration of lower-income households and displacement risk in other areas of the city. Similarly, 1.1 percent of the lower-income unit capacity, co-sited with less than 1 percent of

moderate-income unit capacity, is identified in tract 3114 in the Brookside/Country Club neighborhood, providing income integration and housing mobility opportunities in a Highest Resource area.

Overall, in those tracts with moderate and above median incomes, the identification of lower-income unit capacity provides housing mobility opportunities for lower-income households which may have higher environmental, educational outcome or economic outcome rankings, while helping to reduce concentrations of poverty and lower-income populations in more socioeconomically impacted areas of the city. Conversely, the inclusion of moderate- and above moderate-income sites in lower performing tracts is to facilitate income-integration and combat patterns of concentrated poverty.

The city will encourage higher density and affordable housing development in areas with higher incomes and access to resources by promoting the use of density bonus for affordable housing in higher-income and resource areas, and targeting the construction of ADUs in higher-income single-family neighborhoods including Brookside/Country Club, Weston Ranch, Eight Mile/Bear Creek, Midtown around the University of the Pacific (between I-5 and Pacific Avenue's "Miracle Mile"), western Upper Hammer Lane/Thornton Rd, and eastern Morada/Holman to promote access to resources and mobility opportunities for lower-income households, prioritizing new infill and development of vacant land opportunities in higher-income neighborhoods. As well, the City will determine the potential for requiring affordable units in development agreements when initiating discussions with applicant to facilitate mixed-income neighborhoods and provide lower-income households increased access to more positive educational, economic and environmental health outcomes in newly developing areas.

To confirm whether the sites identified in the Housing Element inventory will affirmatively further fair housing, the City examined the TCAC/HCD opportunity area map as well as specific geographic patterns of resources. While the City of Stockton includes a range of resource designations by TCAC and HCD with fairly distinct distribution patterns, additional indicators are evaluated to determine whether the sites inventory affirmatively furthers fair housing.

Figures HE-24 through **HE-35** compare the total unit capacity to citywide indicators of fair housing for a comprehensive comparison of how the sites inventory will influence existing patterns. For the purpose of this analysis, "vacant" refers to sites that are currently undeveloped without plans for development and "pipeline projects" are projects that are entitled or pending where proposed number of units and proposed affordability of units are known.

POTENTIAL EFFECT ON PATTERNS OF INTEGRATION AND SEGREGATION

Capacity for 22,812 units, including 5,025 lower-income, 4,022 moderate-income, and 13,765 above-moderate income units, has been identified to meet the City's RHNA. The majority of above moderate-income capacity (99.1 percent) is within approved pipeline project sites, some of which are final phases of larger developments.

As shown on **Figures M1** through **M28 in Appendix A**, and **Table HE-49, Distribution of RHNA Capacity by Census Tract**, sites identified to accommodate the lower-income RHNA are primarily located in the Downtown and southern portion of the city where prior analysis has indicated the risk of displacement is highest for residents that currently may face a shortage of

Public Review Draft, April 2023

affordable options. Approximately 28.3 percent of the lower-income units are identified within the South Stockton neighborhood; and 26.6 percent in the Downtown. As well, 10.9 percent of the lower-income units are identified in the Weston/Van Buskirk and 8.4 percent in the Industrial Annex neighborhoods, with an additional 5.4 percent within the East Stockton neighborhood. Sites have also been identified in block groups with the Morada/Holman, Pacific Ave/Lincoln Village, Upper Hammer Lane/Thornton Road and Midtown neighborhoods where displacement risk of lower-income households and persons in poverty has been identified and to provide housing mobility opportunities.

Sites with capacity for 4,022 moderate-income units are mainly located in the central and southern portions of the city, including 24.3 percent of the unit capacity in South Stockton; 15.6 percent in the Port and Mt. Diablo Waterfront neighborhood; 13.5 percent within the Downtown; 10.8 percent in East Stockton; and 10.3 percent in the Weston/Van Buskirk neighborhood. The remainder is spread throughout the city with 7.3 percent of moderate-income units in the Trinity/Northwest neighborhood, 4.5 percent in Midtown, and 4.1 percent in the Morada/Holman neighborhood.

Sites with capacity for 13,765 above moderate-income sites are identified almost exclusively within entitled pipeline projects, the majority of which are located within the Trinity/Northwest neighborhood. Approximately 80.6 percent of above moderate-income unit capacity is identified in pipeline projects as discussed in Chapter 4 within the Trinity/Northwest section of the city (see **Figures M1** through **M28** in **Appendix A**); 10.9 percent in the Tra Vigne development in the Eight Mile/Bear Creek neighborhood, and 3.6 percent within the Cannery Park and Elderberry pipeline projects in the Morada/Holman neighborhood. Above moderate-income RHNA sites are also identified

in Midtown, South Stockton and Upper Hammer Lane neighborhoods.

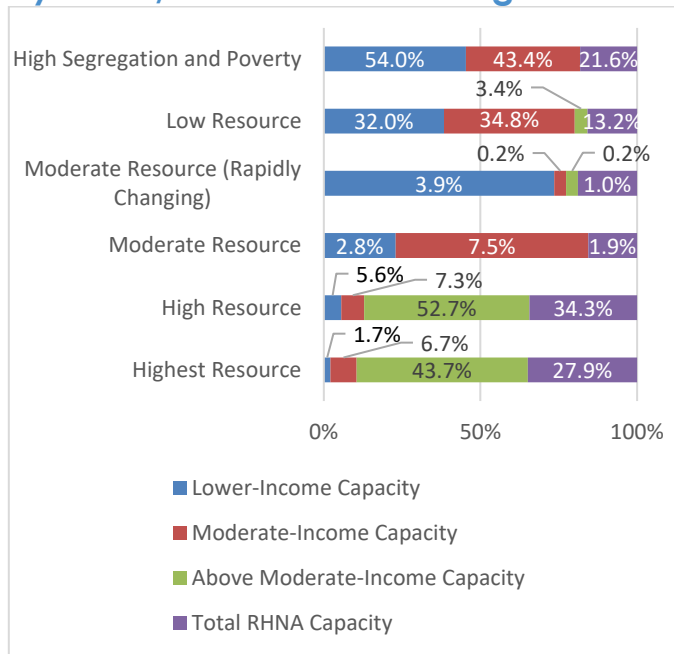
The sites to meet the RHNA identify development opportunities on vacant land. As shown on **Figure HE-24, Percent Unit Capacity by TCAC/HCD Resource Designation**, 21.6 percent of total unit capacity is located within an Area of High Segregation and Poverty, 12.3 percent is within low resource areas, and 62.2 percent of unit capacity is identified within the high and highest resource designations, largely along the west side of the city. A small portion of site capacity is identified in moderate and rapidly changing moderate resource designations.

The majority of the lower-income unit capacity is identified in High Segregation and Poverty (54.0 percent) and low resource (32.0 percent) areas, with the largest distribution in the Downtown, South and East Stockton, Industrial Annex, the northern portion of Weston/Van Buskirk and in the Morada/Holman neighborhood in the Akers area around the intersection of West and Hammer Lanes, which will assist in meeting the existing needs of lower-income households in securing affordable housing. An additional 7.3 percent of lower-income unit capacity is identified in high/highest resource Brookside and Midtown neighborhoods, and 6.7 percent in moderate resource areas, which facilitates housing mobility opportunities, including in the Morada/Holman, and Upper Hammer/Thornton Rd. neighborhoods.

As discussed previously, the majority of above moderate-income sites are approved projects, with 96.4 percent in high/highest resource areas, and 3.4 percent in low resource designations in Midtown and scattered sites in the central section of the city facilitating income-integration. The highest proportion of units identified within the moderate resource designation are moderate-income (7.5 percent of moderate-income unit capacity) which

facilitates housing mobility opportunities, although limited, with 43.4 percent of moderate-income unit capacity within Areas of High Segregation and Poverty and 34.8 percent within low resource designated areas, thus facilitating income-integration. Otherwise, all sites with the exception of those discussed previously are located within a low resource designation.

Figure HE-24: Percent Unit Capacity by TCAC/HCD Resource Designation



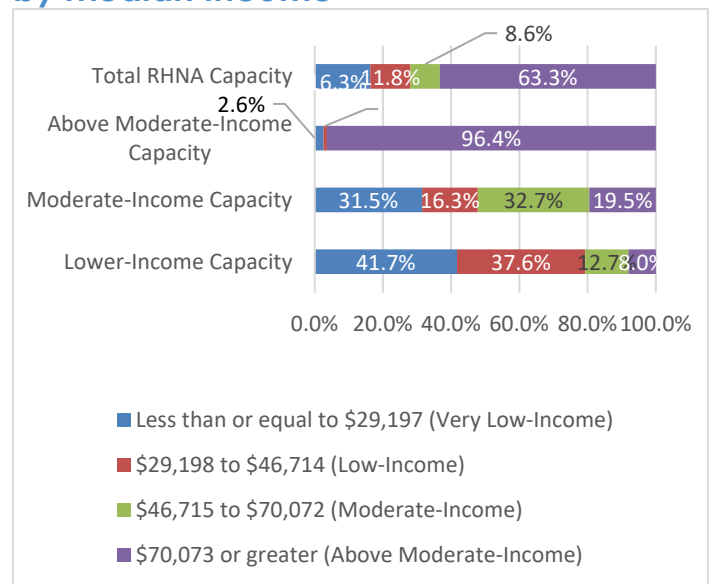
Source: City of Stockton and ACS 2016-2020

INCOME

As shown in **Figure HE-25, Percent Unit Capacity by Median Income**, the City has identified capacity for 16.3 percent of the units in the Sites Inventory in areas that have very low median incomes below \$29,147 based on the 2020 San Joaquin County median income, and 11.8 percent in tracts with low median-income households (between \$29,198 and \$46,714) corresponding to higher rates of overcrowding and overpayment. In contrast, 63.3 percent of unit capacity is identified in Stockton's highest-income block groups around the west, north and eastern perimeter of the city, in the vicinity of University of the Pacific in Midtown, and block

groups in the Upper Hammer Lane/Thornton Rd. neighborhood. An additional 8.6 percent of the city's unit capacity is identified within moderate-income areas (see **Figure 3-8, Local Median Income**). While approximately 79.3 percent of the lower-income capacity has been identified on sites with lower median incomes, these sites aim to reduce displacement risk for residents in these areas that currently may face a shortage of affordable options. Approximately 3.6 percent of the above moderate-income, and 47.8 percent of moderate-income unit capacity are also identified in lower-income neighborhoods. The distribution of these sites accommodating higher-income units will help facilitate mixed-income communities without concentrating lower-income units in lower-income areas.

Figure HE-25: Percent Unit Capacity by Median Income



Source: City of Stockton and ACS 2016-2020

Block groups that correlate to moderate-incomes are primarily found in clusters throughout the central portions of the city. To help reduce income segregation spurred by the siting of a greater proportion of affordable multifamily developments between West Lane and Pacific Avenue, and along West Lane, 12.7 percent of lower-income unit capacity and 32.7

percent of moderate-income unit capacity have been identified for sites within moderate-income areas of the city; 19.5 percent of moderate and 8.0 percent of lower-income unit capacity is identified in higher income neighborhoods. These increased housing mobility opportunities may alleviate pressure on the existing lower-income housing stock in the central Pacific Avenue/Lincoln Village, Upper Hammer Lane/Thornton Rd., Morada/Holman, northern Midtown and portions of Eight Mile/Bear Creek neighborhoods that has resulted in renter overpayment and increasing home ownership prices, serves as a mechanism for achieving income integration and increased access to higher resource opportunities, and fosters de-concentration of lower-income households in the Downtown and southern portions of the city, as well as the two identified R/ECAPS in the central portion of the city.

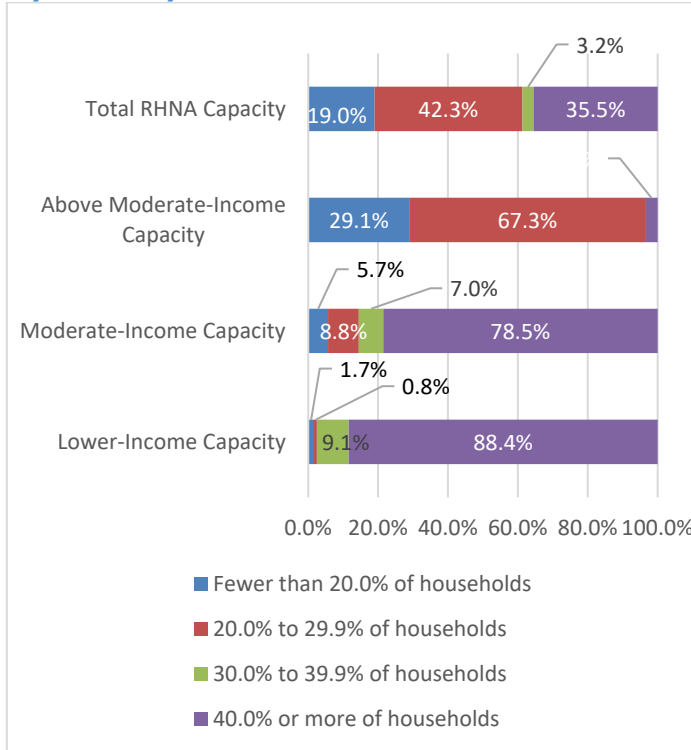
Almost all of the above moderate-income unit capacity is associated with sites in the higher-income sections of the city, predominantly in newly developing neighborhoods in the Trinity/Northwest and Eight Mile/Bear Creek neighborhoods, providing housing mobility opportunities for existing and future residents.

In Stockton, 13.7 percent of households make less than 30.0 percent of area median income, which is considered extremely low-income. Conversely, rates of poverty are below 10.0 percent in the eastern, northern and western portions of the city as well as a cluster of centrally located neighborhoods east of I-5 in the Pacific Avenue/Lincoln Village neighborhood. Low rates of poverty in these localities may indicate that high costs of housing are a barrier to access for lower-income households seeking housing, forcing these households to seek housing in more affordable areas. Higher rates are found in the central and southern neighborhoods that coincide with the city's lower-income block groups and HUD identified R/ECAPS (Figure HE-3, Local Poverty Rates and Figure HE-5, R/ECAPS in Stockton),

where housing typology and the presence of distribution, shipping and industrial uses likely accounts for more housing affordability and higher rates of poverty in these areas. These areas have historically been used as ship and rail yard worker housing, include the historical Chinatown community, and several tracts were redlined areas, with patterns of low incomes persisting in these areas.

As shown by **Figure HE-26, Percent Unit Capacity by Poverty Rate**, 19.0 percent of the total unit capacity has been identified on sites where rates of poverty are below 20.0 percent, and 42.3 percent of unit capacity is identified in neighborhoods with a poverty rate between 20.0 and 29.9 percent of households. A small portion of the unit capacity falls in residential neighborhoods within 30.0 to 39.9 percent poverty rate tracts, and the remaining 35.5 percent are identified in the tracts with the highest poverty rate correlating to the TCAC/HCD Areas of High Segregation and Poverty and R/ECAPS with rates of poverty over 40.0 percent.

Figure HE-26, Percent Unit Capacity by Poverty Rate



Source: City of Stockton and ACS 2016-2020

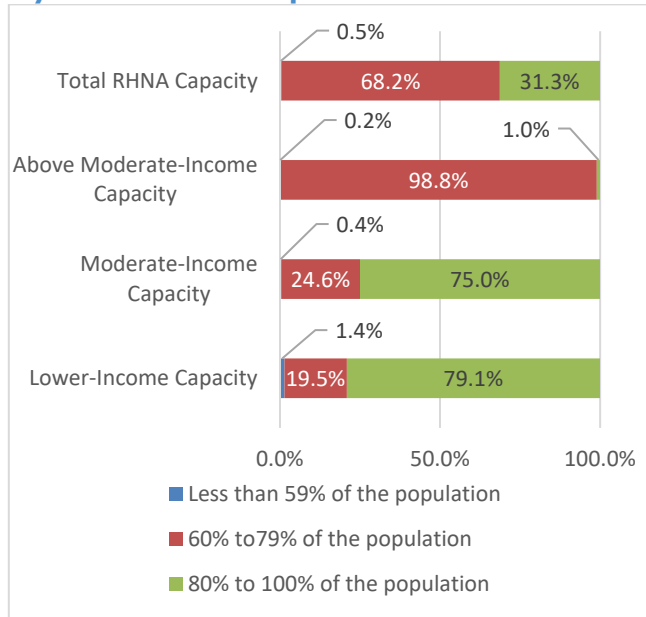
The inclusion of 3.6 percent of above moderate-income and 78.5 percent of moderate-income unit capacity in the higher poverty rate block groups encompassed within and in-between the Areas of High Segregation helps integrate higher-income households into these areas where a concentration of lower-income households and populations of color currently exists. This will promote income integration in these communities where many existing affordable multifamily complexes have contributed to the concentration of lower-income households. The inclusion of 88.4 percent of lower-income unit capacity within these high poverty rate neighborhoods will help facilitate housing mobility opportunities and reduce displacement risk for lower-income households residing in these neighborhoods, with access to commercial, services and amenities in the Downtown, whereas sites for lower-income households within the lower poverty rate portions of the city (11.6 percent) contribute to the reduction of concentration of

affordable housing and correlation of these resources with high poverty rates.

RACE AND ETHNICITY

As discussed previously, Stockton is one of the more diverse cities in San Joaquin County, with non-White residents comprising 80.6 percent of the city's population. White residents comprise majorities in the Brookside/Country Club and Trinity/Northwest neighborhoods west of I-5, and census tracts within Eight Mile/Bear Creek, western Upper Hammer Lane/Thornton Rd., western Pacific Avenue/Lincoln Village and tracts including University of the Pacific in the midtown neighborhood; many of which include planned golf course and lakeside communities which generally correspond with low poverty rates and moderate to higher-income households. The city's lowest income and heavily non-White communities are found in the northeast and eastern sections of the city (**Figure HE-4, Local Racial Demographics**), along March Lane, and neighborhoods south of, and including, Downtown, many of which tend to be found closer to non-residential uses. While neighborhoods in the southern portion of the city tend to be predominantly Hispanic or Latinx, neighborhoods in the northeastern sections of the city are predominantly Asian communities, and those in the central portion of the city along March Lane between West Lane and Pacific Avenue tend to be a heavily non-White diverse mix of race and ethnicity. Additional lower- and moderate-income units in the city will improve access to housing in the city for residents who would otherwise be priced out of the housing market or experience a cost-burden and overcrowding conditions that has historically included communities of color.

Figure HE-27: Percent Unit Capacity by Non-White Population



Source: City of Stockton and ACS 2016-2020

As shown in **Figure HE-27, Percent Unit Capacity by Non-White Population**, 68.2 percent of the unit capacity is within tracts with a non-White population between 60.0 and 80.0 percent, primarily in the northwestern and northeastern corners of the city, and one tract in Midtown. The remaining 31.3 percent of unit capacity falls in areas with a non-White population above 80.0 percent, primarily in the Port and Mount Diablo Waterfront, and southern and eastern portions of the city. The remaining sites are identified within the 0.5 percent of the city with a non-White population below 60.0 percent in the Brookside neighborhood.

DISABILITY

As shown on Figure HE-9, Percentage of the Population With a Disability, approximately 13.6 percent of Stockton’s population lives with one or more types of disabilities, with rates reaching between 25.4 to 31.1 percent in the Downtown correlating to a concentration of affordable housing complexes and the TCAC/HCD High Segregation and Poverty designation as well as R/ECAP status; and between 20.0 to 30.0 percent in scattered tracts in the Midtown,

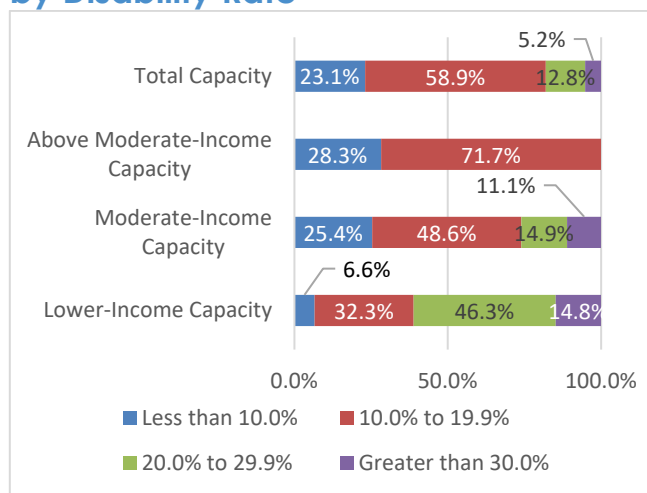
Pacific Avenue/Lincoln Village, and Weston/Van Buskirk neighborhoods. ACS data indicates that a higher proportion of residents who are living with a disability are residing in lower-income areas correlating with the location of affordable housing stock; in older neighborhoods where residents may be aging in place; or in proximity to major medical facilities, as is the case in residential areas adjacent to University of the Pacific in Midtown where the Stockton Regional Rehabilitation Hospital, St. Josephs Medical Center, and other medical facilities are concentrated, as well as two large deed restricted multifamily complexes.

As shown on **Figure HE-28, Percent Unit Capacity by Disability Rate**, the City has identified a capacity for 23.1 percent of potential units to meet the RHNA in census tracts with less than 10.0 percent disability rate, primarily in the Brookside/Country Club, Trinity/Northwest and Mount Diablo/Waterfront neighborhoods, with 28.3 percent of above moderate-income, 25.4 percent of moderate-income, and 6.6 percent of lower-income unit capacity identified in these tracts which generally correspond to moderate to higher median incomes and lower poverty rates. This distribution will improve accessibility for individuals with disabilities at all income levels within new housing opportunities that are required to comply with current development standards and Americans Disabilities Act (ADA) standards.

Approximately 58.9 percent of the unit capacity is identified on sites within tracts with 10.0 to 19.9 percent of the population experiencing disabilities, which are generally north of the Calabasas River, in the East Stockton, the Port and Mount Diablo Waterfront, Industrial Annex, and the more southerly sections of Weston Ranch/Van Buskirk and South Stockton neighborhoods. Lower-income unit capacity (32.3 percent) in tracts with higher rates of disabilities between 10.0 and 19.9 percent provides housing mobility opportunities for

current lower-income residents with disabilities to move to housing that is ADA compliant. Sites in the southern portion of Pacific Avenue/Lincoln Village neighborhood off Pacific Avenue just north of University of the Pacific, as well as the sites in the Midtown neighborhood east of the San Joaquin Catholic Cemetery are accessible to major medical facilities. Sites in the Morada Holman neighborhood in the vicinity of the intersection of West and March Lanes will help to improve access for, and accommodate the needs of persons living with disabilities, benefit from close access to services and amenities as well as proximity to transit along major commercial corridors.

Figure HE-28: Percent Unit Capacity by Disability Rate



Source: City of Stockton and ACS 2016-2020

A large proportion of moderate-income unit capacity (48.6 percent), as well as 71.7 percent of the above-moderate unit capacity in these tracts described above, provide mobility opportunities for moderate and higher-income persons with disabilities in new structures which are ADA compliant and built to universal design, as well as fostering mixed-income communities where sited in the vicinity of, or adjacent to, lower-income sites along major transportation corridors near commercial activity nodes and/or educational facilities.

The largest proportion of lower-income unit capacity (46.3 percent) is identified on sites with disability rates between 20.0 and 30.0 percent of the population, primarily within and around the Downtown, in tracts adjacent to University of the Pacific in Midtown, in South Stockton near the junction of I-5 with the French Camp Turnpike, and on one small site in Weston Ranch/Van Buskirk. There are no above moderate-income sites, and 14.9 percent of moderate-income unit capacity in sites with the higher disability rate.

The remainder of the lower- and moderate-income unit capacity (14.8 and 11.1 percent respectively) is identified within the Downtown, increasing the opportunities for disabled persons currently experiencing overpayment, homelessness or overcrowding, as well as those living in units without accessibility features, to acquire affordable, and adequately accessible housing.

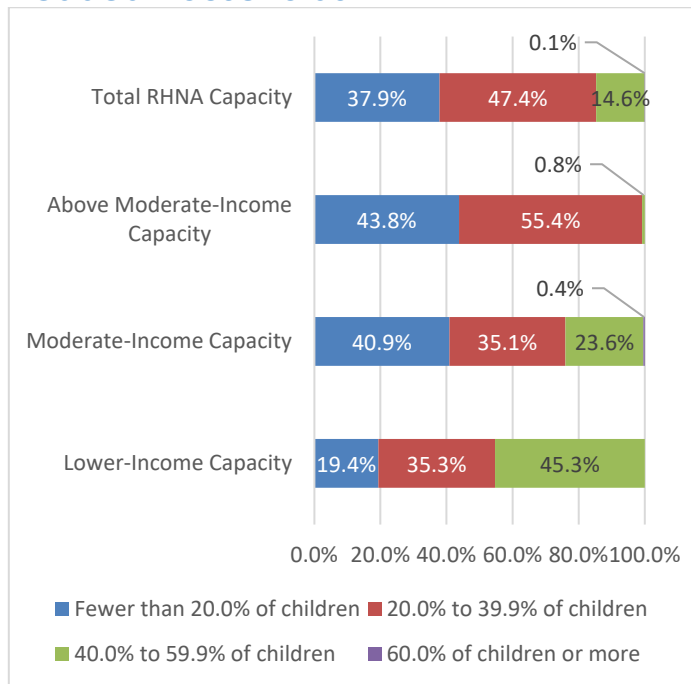
FAMILIAL STATUS

As previously discussed, some areas of Stockton have a higher rate of female-headed households with children and no spouse or partner present, and senior households living alone. Female-headed households with children and no spouse or partner (8.1 percent of households) often face particular challenges to housing access and are at elevated risk of displacement. Approximately 28.9 percent of female-headed households with children have incomes below the poverty line.

Similar to other indicators of fair housing, 37.1 percent of the unit capacity is identified on sites in Eight Mile/Bear Creek, Brookside/Country Club, tracts within Upper Hammer Lane/Thornton Road neighborhood, the majority of Morada/Holman neighborhood east of West Lane, the University of the Pacific area in Midtown, the Port and Mount Diablo Waterfront, and Industrial Annex neighborhoods in which up to 19.9 percent of children are in female-

headed households (**Figure HE-29, Percent Unit Capacity by Percent of Children in Female-Headed Households**). Approximately 43.8 percent of higher-income unit capacity, 40.9 percent of moderate-income unit capacity, and 19.4 percent of lower-income unit capacity is identified in these tracts, increasing the opportunities for female-headed households currently experiencing overpayment and/or overcrowding to acquire affordable, and adequately sized housing in generally higher-income neighborhoods while promoting a reduction in the concentration of female headed households in other parts of the city.

Figure HE-29: Percent Unit Capacity by Percent of Children in Female-Headed Households



Source: City of Stockton and ACS 2016-2020

55.4 percent of above moderate-income unit capacity, 35.1 percent of moderate-income unit capacity, and 35.5 percent of lower-income unit capacity is identified in tracts with 20.0 to 39.9 percent of children living in female-headed households, generally encompassing the central portions of the city between I-5 and the San Joaquin Sacramento Subdivision Rail Line north of the Calaveras River, East Stockton

and the southern portion of the Weston Ranch/Van Buskirk neighborhood. Eight of these tracts are identified by HUD as R/ECAPS, and the majority are designated Areas of High Segregation and Poverty. Identification of lower-income sites increases the opportunities for female-headed households experiencing overpayment and/or overcrowding to acquire affordable, and adequately sized housing while promoting a reduction in the concentration of female headed households in parts of the city with higher rates of children in female-headed households.

While a large proportion of above-moderate income unit capacity as well as moderate-income unit capacity is identified in sites corresponding to this high proportion of children in single female-headed households, the majority of the site capacity for above moderate-income units is identified in the Trinity/Northwest Stockton neighborhood which currently is primarily vacant land with little existing residential development and a large commercial center, designated as high and highest resource. The identification of 7.3 percent of moderate- and 80.6 percent of above moderate-income unit capacity in these areas increases mobility opportunities for moderate and higher-income single female-headed households from within and outside of the city to find appropriate units, while decreasing competition for housing within other neighborhoods in the city.

The largest proportion (45.3 percent) of lower-income and 23.6 percent of moderate-income unit capacity is located within tracts in which 40.0 to 59.9 percent of children reside in single female headed-households. These tracts are located in Downtown, South Stockton and Pacific Avenue/Lincoln Village neighborhoods, and one tract in Upper Hammer Lane/Thornton Road neighborhood. Of the seven tracts falling within this high rate of children in single female-headed households, four are R/ECAPs and three designated Area of High Segregation and

Poverty, while two are adjacent to San Joaquin Delta College and the concentration of commercial and services located in the vicinity. Sites identified in these areas provide housing mobility for lower- and moderate-income female headed households, and the moderate-income unit capacity facilitates income integration in the areas with high rates of poverty.

By adding moderate and above-moderate units throughout the city, and particularly by locating lower-income units within higher income areas to provide access to existing and new amenities and resources, Stockton will become more accessible to female-headed households with children and no spouse or partner present, as well as other single-parent households.

POTENTIAL EFFECT ON ACCESS TO OPPORTUNITY

MOBILITY

As previously discussed, 50.1 percent of households in Stockton are renters. The rental vacancy rate is 4.9 percent, while the ownership unit vacancy rate is 0.9 percent. The very low ownership unit vacancy rate indicates a shortage of for-sale homes available in Stockton. Although the proportion of owner households (49.9 percent) and renter households (50.1 percent) is fairly comparable based on a citywide average, the distribution of households by tenure varies widely within the different neighborhoods throughout the city. There are 15 census tracts in the city where renters comprise over 60.0 percent of households. Seven of these tracts in which over 60.0 percent of households are renters are located primarily in the greater Downtown, South and East Stockton, the West Lane commercial corridor in the Upper Hammer/Thornton Road and Morada/Holman

neighborhoods, and the eastern portion of the Pacific Avenue/Lincoln Village neighborhood. According to 2016-2020 ACS data, Black and Hispanic households have higher rates of renter-occupancy than Asian and White non-Hispanic households. Within the majority of these census tracts, between 5.0 to 15.0 percent of the renters utilize Housing Choice Vouchers (HCV). There are an additional two tracts, both R/ECAPS and High Segregation and Poverty designations in the Upper Hammer Lane/Thornton Road and Pacific Avenue/Lincoln Village neighborhoods in the vicinity of the West Lane commercial corridor where the HCV utilization rate exceeds 20.0 percent of renter households.

Approximately 80.6 percent of the total above-moderate-income unit capacity is identified in the Trinity/Northwest Stockton neighborhood which has a current rental rate of 70.8 percent, yet a low rate of HCV usage, providing housing mobility opportunities for higher income renter households. To supply additional housing mobility opportunities for lower-income renter households that do not currently hold HCVs in areas with rates of renter occupancy above 60.0 percent; lower income unit capacity is identified in Downtown (26.6 percent), South Stockton (28.3 percent), East Stockton (5.4 percent), Pacific Avenue/Lincoln Village (4.0 percent), Morada/Holman (4.0 percent), and Upper Hammer Lane/Thornton Road (3.5 percent) neighborhoods, as well as in areas in Midtown, Weston Ranch/Van Buskirk, and Industrial Annex neighborhoods for additional housing mobility opportunities which may reduce high concentrations of renters in other parts of the city.

Moderate-income and above moderate-income unit capacity identified in these high renter occupancy tracts fosters income-integration, particularly in the tracts with highest representation of renter households in Downtown, South and East Stockton and Morada/Holman neighborhoods, and will

increase housing mobility opportunities primarily for moderate-income households.

Sites to meet the lower-income RHNA are also identified throughout the city in areas where they will provide housing mobility opportunities in higher income neighborhoods which also helps reduce existing concentrations of lower-income households and populations of color; as well as within lower-income sections of the city, including R/ECAPs and Areas of High Segregation and Poverty, to provide housing mobility opportunities that deter potential displacement of existing residents at risk of losing their housing and assist in reducing high renter overpayment rates with or without HCV assistance. Many of the lower-income units are co-located in proximity to moderate-income unit capacity to facilitate income integrated neighborhoods and support the development of improved resource and economic mobility opportunities, which affirmatively furthers fair housing.

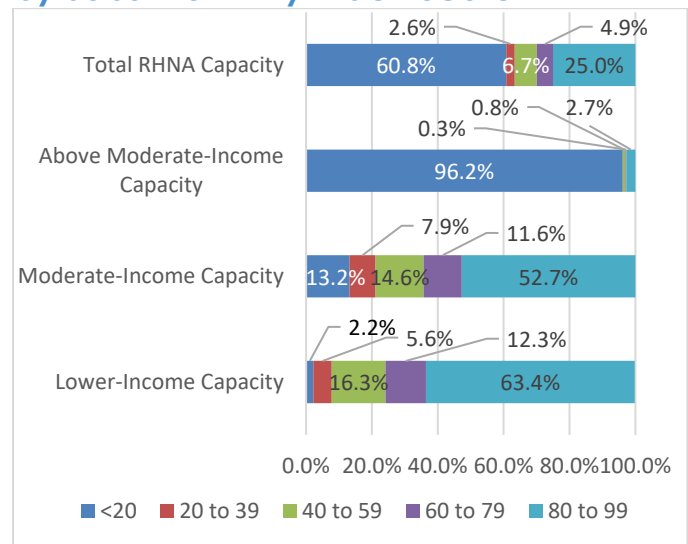
EMPLOYMENT OPPORTUNITIES

As discussed in this assessment, 34.4 percent of residents are employed within the city. Central Stockton and portions of Midtown have the closest proximity to jobs; however, previous analysis suggests that while there are many job opportunities in these tracts, the resident population in these neighborhoods is not filling them. Scores in the northern portion of the city indicate furthest proximity to jobs, although these same areas reflect the highest market participation index scores and most positive anticipated educational and economic outcomes, and therefore it is likely a portion of residents in these neighborhoods have the greatest commuting accessibility to employment opportunities outside of the city and the San Francisco Bay Area. The combination of employment factors in Stockton indicates that the jobs in the city may not meet the needs of residents, based on those

commuting out of the city, market engagement, and the jobs-household ratio.

As shown in **Figure HE-30, Percent Unit Capacity by Jobs Proximity Index Score**, the City has identified the greatest capacity (63.4 percent of the unit capacity) for lower-, moderate-, and above moderate-income units (7.8, 21.1 and 96.2 percent of their total capacities, respectively) in areas which have a score below the 40th percentile relating to proximity to jobs within the city, which generally includes the portion of the city west of I-5 north of Benjamin Holt Drive; and east of I-5, north of Benjamin Holt Drive to Alexandria Place, north of West Lincoln Road between Alexandria Place and Pacific Avenue, and north of West Hammer Road between Pacific Avenue to the San Joaquin Valley Railroad Sacramento Subdivision line. Although a large portion of the total unit capacity falls within the lower percentile range, the majority of this unit capacity is within above moderate- and moderate-income sites with the highest labor force engagement rates; this distribution will support higher-income households by providing them with housing that supports mobility and access to in-town or commuting employment opportunities.

Figure HE-30: Percent Unit Capacity by Jobs Proximity Index Score



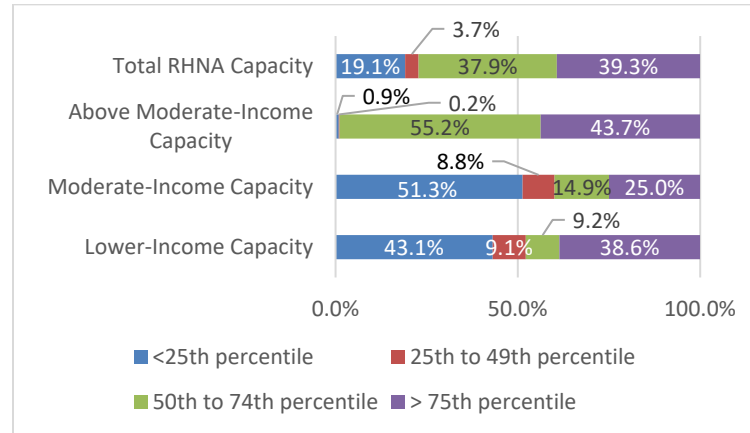
Source: City of Stockton and ACS 2016-2020

Almost 30.0 percent of the unit capacity in the sites inventory is met in tracts with jobs proximity scores above the 60th percentile, generally encompassing the Pacific Avenue/Lincoln Village, Brookside/Country Club, Midtown, Downtown, East Stockton, and Port and Mount Diablo Waterfront neighborhoods, as well as portions of South Stockton. The high proportion of lower-income (75.7 percent) and moderate-income (64.3 percent) unit capacity in the tracts with the highest jobs proximity index supports direct access to professional, government, service and commercial, industrial, airport related, and shipping and distribution employment opportunities, as well as access to employment opportunities in adjacent French Camp, Tracy and Modesto to the south, Lodi and Sacramento to the north via I-5, and Contra Costa County and the Bay Area to the west. This distribution also provides higher-income residents and residents currently commuting out of town for their jobs access to higher income housing units to support employment opportunities in the city that were not available previously.

EDUCATIONAL OPPORTUNITIES

According to the DOE, most Stockton schools are below the state educational standards for ELA and mathematics at each grade level, with performance generally correlating to income. Anticipated educational outcomes, (**Figure HE-14, Local TCAC/HCD Educational Outcome Percentile Scores**), are lowest in the southern portion of the city and in central Stockton between West Lane and Pacific Avenue correlating to concentrations of deed restricted multifamily housing stock; and are higher along the western, northern and northeastern perimeter of the city, correlating to TCAC/HCD Resource designations.

Figure HE-31: TCAC/HCD Educational Domain Scores



Source: City of Stockton and ACS 2016-2020

As shown in **Figure HE-31, TCAC/HCD Educational Domain Scores**, the existing patterns of access to opportunity related to educational resources indicate that 22.8 percent of the city's RHNA capacity falls within the least positive educational outcome percentiles below the 50th percentile, 37.9 percent falls between the 50th and 75th percentile, and 39.3 percent in the highest percentile, correlating to median income and TCAC/HCD higher resource designations.

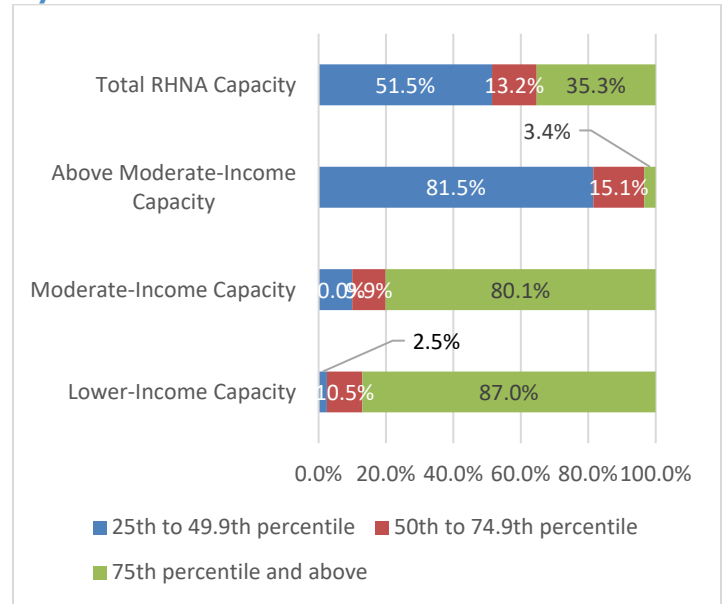
While 52.2 percent of the lower-income unit capacity is identified on sites with less positive educational outcomes, the identification of 60.3 percent of moderate-income unit capacity within these neighborhoods promotes the development of higher-income housing units in lower performing neighborhoods. Integration of income levels increases potential for increased educational domain scores and resource designations. The identification of 47.8 percent of lower-income unit capacity in higher scoring areas promotes housing mobility with access to educational opportunities with higher attainment scores generally associated with higher income, higher resource areas. Identification of 39.9 percent of moderate and 98.9 percent of above moderate-income unit capacity in tracts with scores above the 50th percentile will provide housing mobility

opportunities with more positive anticipated educational outcomes. RHNA capacity has been identified in areas that facilitate housing mobility opportunities for lower-income households, and also so that all schools can benefit from increased diversity and income-integration to raise educational outcomes.

ENVIRONMENTAL HEALTH

As shown in **Figure HE-15, CalEnviroScreen Percentiles**, most of the city north of the Calaveras River, with the exception of two census tracts scores below the 75th percentile; while south of the Calaveras River the majority of tracts score above the 75th percentile, with the exception of the tract encompassing University of the Pacific and the adjacent tract to the west. Tracts with scores above the 75th percentile qualify as a disadvantaged community, impacting access to opportunity as it relates to healthy living conditions. Aside from environmental pollution factors including exposure to particulate matter and ozone from industrial, shipping and railroad yard operations, a concentration of other factors, including lower incomes, poverty rates between 10.0 to 20.0 percent of the households, concentrations of single female-headed households with children, high rates of non-White populations, low rates of educational attainment, and a high rate of unemployment as well as older homes conditions and lead in housing may contribute to the least positive environmental scores. While these factors may not reflect all neighborhoods in this percentile range, they do represent an area of potential concern regarding fair housing and disproportionate exposure to environmental hazards and a concentration of vulnerable populations, which is mitigated by Programs 6, 10, 12, 13, 15, 24, 25, and 29.

Figure HE-32: Percent of Unit Capacity by CalEnviroScreen Scores



Source: City of Stockton and ACS 2016-2020

As shown in **Figure HE-32, Percent of Unit Capacity by CalEnviroScreen Scores**, approximately 51.5 percent of the RHNA capacity is identified in the tracts scoring below the 50th percentile. Approximately 19.9 percent of moderate-income unit capacity, and 13.0 percent of lower-income unit capacity is identified in the tracts with the lowest scores; while 81.5 percent of above moderate-income capacity is identified in the tracts with the lowest scores in the Trinity/Northwest Stockton and Eight Mile/Bear Creek neighborhood, which scores in the 50th to 74th percentile, most likely associated with adjacency to agricultural activities. The majority of lower-income (87.0 percent) and moderate-income (80.1 percent) unit capacity is identified on sites considered a disadvantaged community, the moderate-income unit capacity will contribute to income integrated neighborhoods and reduction in the concentration of lower-income households with associated indicators of disadvantaged communities in these tracts, while the lower-income unit capacity provides housing mobility opportunities for households within their existing neighborhoods to reduce displacement potential and homelessness. As well, although relatively small, the proportion of lower-and

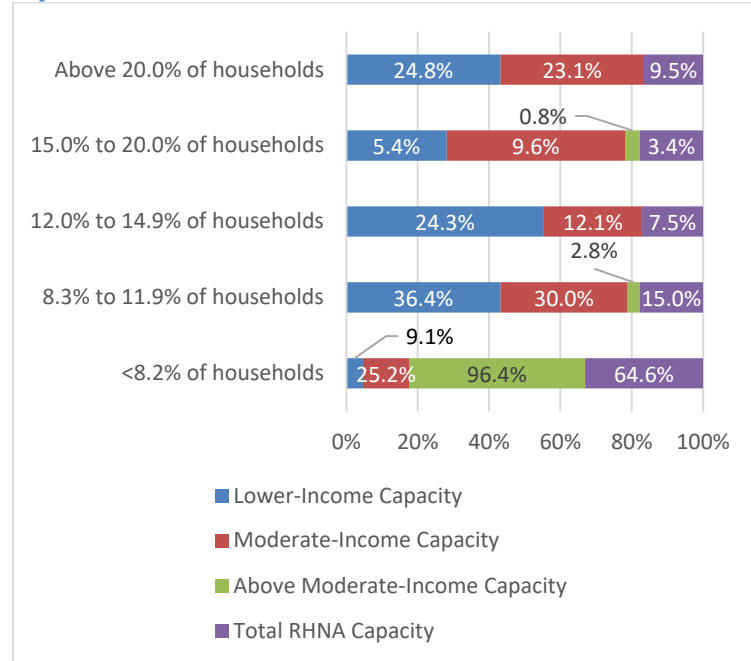
moderate-income unit capacity in non-disadvantaged neighborhoods of the city contributes to reduction of concentrations of lower-income households in the most environmentally impacted areas of the city.

Potential Effect on Displacement Risk

Overcrowding

Overall, 9.3 percent of households in Stockton are considered overcrowded. Overcrowding is seen more amongst those that are renting, whereas 12.4 percent of renters are overcrowded, 6.0 percent of homeowners experience overcrowding. Overall, households experiencing overcrowding in Stockton, when combined with income or accessibility challenges, may become at risk for displacement. Higher overcrowding rates are concentrated along the West Lane commercial corridor, Downtown, in the South and East Stockton neighborhoods, and Industrial Annex neighborhood, generally correlating to the city’s lowest-income neighborhoods, R/ECAPs and TCAC/HCD Areas of High Segregation and Poverty. These are areas where older housing stock, originally constructed to serve the shipping industry, is mixed with industrial and other nonresidential uses, as well as the location of deed restricted housing stock, particularly in the Downtown and West Lane commercial corridor.

Figure HE-33: Percent Unit Capacity by Rate of Overcrowded Households



Source: City of Stockton and ACS 2016-2020

As shown in **Figure HE-33, Percent Unit Capacity by Rate of Overcrowded Households**, the city has identified 64.6 percent of unit capacity in tracts with low rates of overcrowding, and 15.0 percent in tracts with rates between 8.3 and 11.9 percent of households experiencing overcrowding. An estimated 9.1 percent of the lower-income unit capacity, 25.2 percent of the moderate-income unit capacity, and 96.4 percent of the above moderate-income unit capacity is identified in tracts with rates of overcrowding below 8.2 percent, (the statewide average) providing housing mobility opportunities for households of all incomes experiencing overcrowding in other areas of the city. While 15.0 percent of the RHNA capacity is identified in tracts with overcrowding rates between 8.3 and 11.9 percent, 36.4 percent of the low-income RHNA unit capacity and 30.0 percent of moderate-income unit capacity is identified in the tracts south of March Lane between I-5 and Pacific Avenue, in the Stonewood Estates RCAA, within eastern Midtown, the Port and Mount Diablo Waterfront neighborhood, the northern tract in

the Weston Ranch/Van Buskirk neighborhood, and one tract in South Stockton which is primarily industrial and rail yard uses, providing housing mobility opportunities for residents in units which may be both affordable and of adequate size to meet the needs of lower- and moderate-income households while facilitating potential to reduce concentrations of overcrowding in other parts of the city.

Approximately 12.9 percent of the unit capacity is located in tracts with overcrowding above 15 percent of households. 30.2 percent of lower-income unit capacity and 32.7 percent of moderate-income unit capacity is identified on sites which generally correspond to R/ECAPs and TCAC/HCD designations of Area of High Segregation and Poverty, as well as a concentration of deed restricted housing stock. One pipeline project includes 0.8 percent of the above moderate-income unit capacity in this area, initiating income integration into the South Stockton neighborhood, which helps relieve pressure on the existing inventory of housing units in that area to meet needs of residents experiencing overcrowding while remaining in their own familiar neighborhood. Overall, the 1 unit potential identified in the sites inventory will help to facilitate additional housing mobility opportunities for a range of sizes and locations for those households that are currently experiencing overcrowding.

OVERPAYMENT

In Stockton, 20.8 percent of the households are cost burdened and 21.0 percent are severely cost burdened, for a total of 41.8 percent of the households experiencing some level of overpayment. Approximately 27.9 percent of all homeowners are overpaying for housing; in contrast, 54.4 percent of all renters are cost burdened, and, in most circumstances, overpayment is closely tied to income, and in many cases, but not consistently, proportion of populations of color, with lower-income renters experiencing the highest incidence of

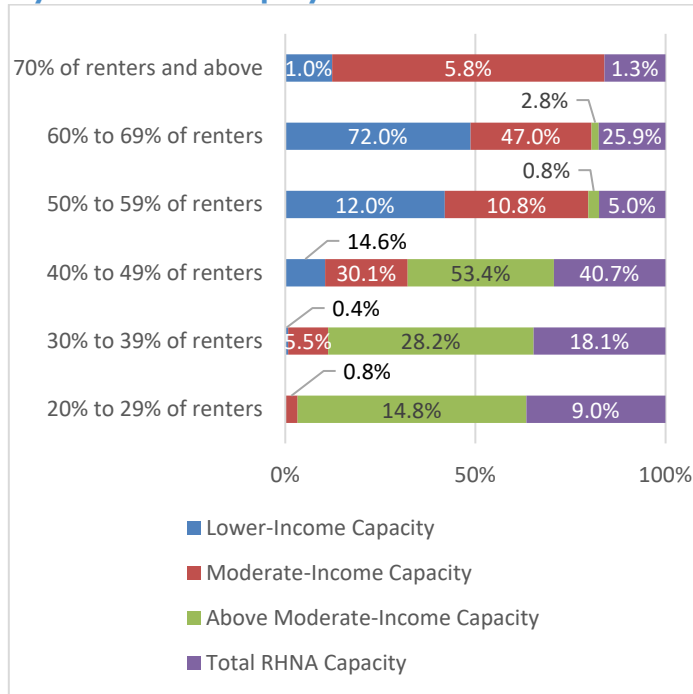
overpayment and most at risk of displacement. Additionally, previous analysis has identified that special-needs populations, including female-headed households, large families, persons with disabilities and seniors, often fall into the lower-income category and may be particularly at risk of displacement when housing opportunities at affordable costs, sizes, or access to resources are not available.

According to the 2015-2019 ACS, most of the city reflects renter cost burdened rates between 40.0 to 60.0 percent (**Figure 18, Renter Overpayment in Stockton**). The areas with rates above 60.0 percent are found in neighborhoods along the West Lane commercial corridor, along March Lane and two tracts in the Pacific Avenue/Lincoln Village neighborhood, in the greater Downtown area, and tracts within South and East Stockton neighborhoods.

As shown in **Figure HE-34, Percent Unit Capacity by Renter Overpayment**, and **Figure HE-35, Unit Capacity by Homeowner Overpayment**, 32.2 percent of the city's RHNA capacity is identified in tracts with a renter overpayment rate over 50.0 percent; 40.7 percent of the RHNA capacity is in tracts with has renter overpayment rates between 40.0 to 49.0 percent. The remaining 27.1 percent includes rates of renter overpayment between 20.0 to 39.0 percent. The majority of lower-income RHNA units (73.0 percent) have been identified on sites in areas in which approximately 60.0 percent and above of renters are overpaying for housing. The remainder of the lower-income unit capacity is identified on sites where 12.0 percent of renter overpayment is between 50.0 to 59.0 percent, and 14.6 percent of the lower-income unit capacity is found on sites where 40.0 to 49.0 percent of renters overpay, primarily in the central portion of the city north of the Calaveras River, in the Midtown, Upper Hammer Lane/Thornton Road, and Weston Ranch/Van Buskirk neighborhoods. Additional affordable rental resources in these areas will facilitate housing mobility opportunities for renters

currently overpaying and at risk of displacement, whereas the identification of sites to accommodate the lower-income units in locales with lower overpayment rates contributes toward reducing concentrations of renter overpayment in areas of more concentrated overpayment by providing housing mobility opportunities, and fostering income-integration into neighborhoods that have more positive economic conditions.

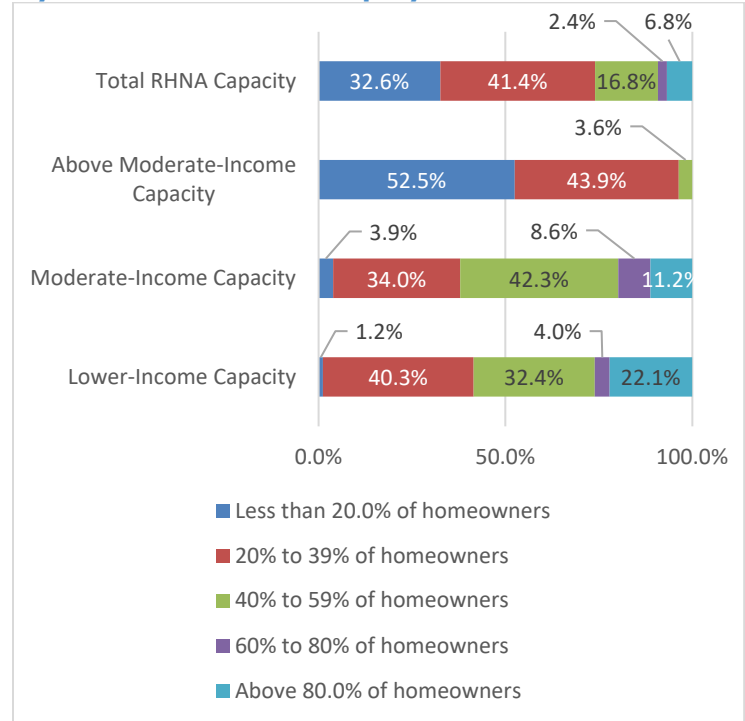
Figure HE-34: Percent Unit Capacity by Renter Overpayment



Source: City of Stockton and ACS 2016-2020

As well, 52.8 percent of moderate-income unit capacity and 2.8 percent of above moderate-income projects are within the tracts with higher rates of renter overpayment, which promotes income-integrated neighborhoods and reduces the concentration of severely cost burdened households overpaying for housing. Overall, an increase in the supply of lower- and moderate-income housing throughout the city, particularly those in proximity to commercial uses and services, will help to alleviate conditions that contribute to overpayment by reducing the gap between supply and demand for this type of housing.

Figure HE-35: Percent of Unit Capacity by Homeowner Overpayment



Source: City of Stockton and ACS 2016-2020

In contrast to renter overpayment, homeowners generally experience cost burden at a lesser rate. The highest rates of homeowner overpayment occur in the Downtown, portions of East and South Stockton, and southeast of Weberstown Mall, which are designated by TCAC/HCD as an Area of High Segregation and Poverty and most are R/ECAPS, where over 60.0 percent of homeowners are cost burdened (**Figure HE-19, Homeowner Overpayment in Stockton**). As shown on **Figure HE-35, Percent of Unit Capacity by Homeowner Overpayment**, 9.2 percent of the distribution of RHNA units is identified in these areas to increase ownership housing supply, with 26.1 percent of lower-income, and 19.8 percent of moderate-income unit capacity identified to potentially reduce displacement risk and overcrowding for these households as more units become available, and facilitating housing mobility opportunities throughout these areas near services and resources in commercial areas, easing pressure on the housing stock.

Conversely, 74.0 percent of site distribution is within sites in areas in which less than 39.0 percent of homeowners are cost burdened, including 96.4 percent of above moderate-income, 41.5 percent of lower-income, and 37.9 percent of moderate-income unit capacity; which includes the following neighborhoods: Trinity/Northwest Stockton, Eight Mile/Bear Creek, Upper Hammer Lane/Thornton Rd. west of Lower Sacramento Road, Brookside/Country Club, northern and eastern Morada/Holman, Pacific Ave/Lincoln Village, Midtown and portions of Weston Ranch/Van Buskirk.

Approximately 16.8 percent of the unit distribution is identified where 40.0 to 59.9 percent of homeowners overpay with 32.4 percent of lower-income unit capacity and 42.3 percent of moderate-income unit capacity identified on sites north of the Calaveras River along the West Lane, Pacific Avenue and March Lane commercial corridors within the Pacific Venue/Lincoln Village, Morada/Holman and southern portion of Upper Hammer Lane/Thornton Road neighborhoods. The identification of 3.6 percent of above moderate-income unit capacity in the South Stockton and Pacific Avenue/Lincoln Village neighborhoods with rates of overpayment above 40.0 percent, predominantly within the Mobile Homes on El Dorado pipeline residential project in South Stockton will foster income integration in the southern portion of the city and provide alternatives to the typical single family detached housing unit.

The addition of these units will help to alleviate existing overpayment by offering lower- and moderate-income units to current and future residents where there is need and increasing the housing stock overall to alleviate the demand on an existing shortage of housing at affordable price points. Additionally, the site capacity and distribution of units by income category will facilitate mobility opportunities for all households.

CONTRIBUTING FACTORS

In discussions with stakeholders and fair housing advocates and through this assessment of fair housing issues, the City identified factors that contribute to fair housing issues, as shown in **Table HE-50**. While a variety of strategies are identified in this element to address the fair housing issues, the most pressing issues are listed below. The fair housing indicators analyzed earlier in this chapter that led to identification of the fair housing issues are shown in bold in parentheses after each issue. The sub-categories analyzed under each indicator are also listed after the bolded indicator.

- The concentrations of R/ECAPS and limited income-integration at the local neighborhood level, (**Integration and Segregation** – TCAC/HCD Opportunity, Income, Lower Income Neighborhoods and Poverty, Race/Ethnicity, R/ECAPs and RCAAs; **Other Relevant Factors** - History of Development Trends, Land Use and Zoning; **Sites Inventory Analysis** – Tract Analysis, Potential Effect on Integration and Segregation)
- Displacement risk due to rising housing costs, (**Integration and Segregation** – Income, Lower Income Neighborhoods and Poverty; **Access to Opportunity** – Housing Mobility, and Employment Opportunities; **Disproportionate Housing Need and Displacement Risk** – Overcrowding, Overpayment, Housing Condition, Displacement Risk; **Other Relevant Factors** – History of Development Trends; **Enforcement and Outreach Capacity** – Compliance with Fair Housing Laws, Fair Housing Complaints);

- Homelessness, (Chapter 2 – Housing Needs Assessment, **Disproportionate Housing Need and Displacement Risk** – Overcrowding, Overpayment, Housing Condition, Displacement Risk; Housing Mobility, **Enforcement and Outreach Capacity** – Compliance with Fair Housing Laws, Fair Housing Complaints)
- Disproportionate access to resources for lower-income, households with special needs, and populations of color, (**Integration and Segregation** – TCAC/HCD Opportunity, Income, Lower Income Neighborhoods and Poverty, Race/Ethnicity, Familial Status, Persons with Disability, **Access to Opportunity** – Transit Mobility, Housing Mobility, Education; Employment Opportunities); and
- Barriers to homeownership, (**Integration and Segregation** - Income, Lower Income Neighborhoods and Poverty, Race/Ethnicity; **Disproportionate Housing Need and Displacement Risk** – Overcrowding, Overpayment, Housing Condition; **Other Relevant Factors** - History of Development Trends, Land Use and Zoning; **Enforcement and Outreach Capacity** – Compliance with Fair Housing Laws, Fair Housing Complaints).

Prioritized contributing factors are bolded in **Table HE-50**, and associated actions to meaningfully and affirmatively further fair housing related to these factors are bold and italicized.

Table HE-50: Factors that Contribute to Fair Housing Issues
2023

AFH IDENTIFIED ISSUES	CONTRIBUTING FACTORS	MEANINGFUL ACTIONS
<p>Presence of concentrated R/ECAPs in Greater Downtown, South Stockton, East Stockton, and between West Lane and Pacific Avenue in Northern Stockton</p>	<p>Concentrations of poverty and lower-income households.</p> <p>Shortage of affordable housing options in Moderate and High resource areas and higher-income unit capacity in lower-income and lower resource areas to foster income integration and stimulate place-based revitalization and improved access to resources.</p> <p>Concentration of renter-occupied households in Low resource areas.</p> <p>Highest share of minority residents compared to county and megaregion.</p> <p>High rate of HCV holders and lack of acceptance of HCVs in Moderate and High resource areas</p> <p>Older housing stock and areas with poor housing conditions resulting in lower housing costs in South Stockton, Downtown and East Stockton, and scattered residential areas along major commercial corridors north of Midtown.</p> <p>High rates of diversity concentrated in Greater Downtown, South Stockton and East Stockton due to historical practices</p>	<p>Maintain a list of vacant residential land appropriate for affordable housing in the city, including sites in moderate and high resource areas (Program 1).</p> <p>Encourage construction of Accessory Dwelling Units targeting areas of higher resource opportunity (Program 6).</p> <p>Encourage the construction of affordable units with three or more bedrooms and incentivize on-site childcare and support services in mixed use and multifamily developments (Program 28).</p> <p>Produce affordable rental housing in opportunity-rich locations near transit, services, and key amenities (Programs 5,8,10).</p> <p>Development Code revisions to address zoning to facilitate housing types serving lower-income households (Program 15).</p> <p>Implement multilingual communication and outreach strategies (Program 28).</p> <p>Provide mortgage assistance for low- and moderate-income first-time homebuyers, prioritizing advertising to persons in higher opportunity areas (Program 10).</p> <p>Encourage landlords and property managers in high resource areas to advertise their units to Section 8 voucher holders (Program 9).</p> <p>Provide education to landlords and property managers on fair housing rights and requirements/discrimination (Program 28).</p>
<p>Barriers to homeownership, particularly for communities of color</p>	<p>Historical redlining and barriers to building generational wealth.</p> <p>Shortage of affordable homeownership opportunities, particularly for smaller, entry-level households.</p> <p>Household income growth that has not kept pace with housing costs.</p> <p>Outside demand for housing from relocating Bay Area residents with higher-paying jobs.</p> <p>Conversion of older single-family housing stock to rental properties.</p>	<p>Offering programs to remove racially restrictive covenants on city and private property (Program 30)</p> <p>Continue to operate program for downpayment assistance for first-time homebuyers (10)</p> <p>Encourage construction of Accessory Dwelling Units targeting areas of higher resource opportunity (Program 6).</p> <p>Development Code revisions to address zoning to facilitate housing types serving lower-income households (Program 15).</p>

Public Review Draft, April 2023

AFH IDENTIFIED ISSUES	CONTRIBUTING FACTORS	MEANINGFUL ACTIONS
<p>Displacement risk due to economic pressures, particularly for lower-income households</p>	<p>Rising housing costs outpacing wage increases.</p> <p>Cost of repairs and rehabilitation.</p> <p>Lack of affordable multifamily rental housing at appropriate sizes, resulting in overcrowding or overpayment when renters are pushed into single-family home rental market.</p> <p>Low rental vacancy rates.</p> <p>Outside demand for housing from relocating Bay Area residents with higher-paying jobs intensifies gentrification and competition for housing resources.</p> <p>Loss of naturally occurring affordable housing resources.</p>	<p>Continue to develop infill projects and address brownfield remediation in the Downtown and Greater Downtown (Program 7).</p> <p>Encourage landlords and property managers in high resource areas to advertise their units to Section 8 voucher holders (Program 9).</p> <p>Encourage construction of Accessory Dwelling Units targeting areas of higher resource opportunity (Program 6).</p> <p>Provide exemptions from fees for certain projects to prevent added costs for new units (Program 16).</p> <p>Preserve existing subsidized affordable units at-risk for conversion to market-rate (Program 19).</p> <p>Continue to operate the housing rehabilitation programs and improve communication about the program to eligible owners of mobile homes and rental properties (Program 20).</p> <p>Continue code enforcement in targeted areas (Program 21).</p> <p>Comply with State law regarding replacement of existing affordable units (Program 22).</p> <p>Encourage the construction of affordable units with three or more bedrooms and incentivize on-site childcare and support services in mixed use and multifamily developments (Program 28).</p> <p>Assist the development of affordable housing using State and federal funds (Program 10).</p> <p>Provide support for low-income renters, including multilingual tenant counseling, rental assistance, financial counseling, crisis stabilization services, and legal support (Program 28).</p> <p>Provide weatherization services (Program 14).</p>

Public Review Draft, April 2023

AFH IDENTIFIED ISSUES	CONTRIBUTING FACTORS	MEANINGFUL ACTIONS
<p>Disproportionately limited access to resources for lower-income and communities of color households</p>	<p>Discriminatory lending and other barriers to home ownership for non-White populations, including language barriers and documentation requirements.</p> <p>Concentration of renters, lower-income households, and non-White residents near high-intensity commercial and industrial uses, circulation, and rail corridors in Downtown, South Stockton, East Stockton, and residential areas in central Stockton.</p> <p>Concentration of assisted affordable housing resources in Low resource tracts, Areas of High Segregation and Poverty, and R/ECAPS.</p>	<p>Continue to repair and replace public facilities in lower-income neighborhoods (Program 4).</p> <p>Continue to develop infill projects and address brownfield remediation in the Downtown and Greater Downtown (Program 7).</p> <p>Implement multilingual communication and outreach strategies (Program 28).</p> <p>Offering programs to remove racially restrictive covenants on city and private property (Program 30).</p> <p>Address environmental impacts and increase amenities in areas with concentrations of renters, lower-income households, and non-White residents (Program 29).</p> <p>Produce affordable rental housing in opportunity-rich locations near transit, services, and key amenities (Programs 5,8,10).</p>
<p>Homeless individuals and families</p>	<p>High rates of unsheltered individuals.</p> <p>Increasing proportion of employed homeless face challenges in securing housing.</p>	<p>Continue to support organizations assisting homeless persons (Program 23).</p> <p>Encourage landlords and property managers in high resource areas to advertise their units to Section 8 voucher holders (Program 9).</p>